



US008738483B2

(12) **United States Patent**
Orttung et al.

(10) **Patent No.:** **US 8,738,483 B2**
(45) **Date of Patent:** **May 27, 2014**

(54) **ENHANCED INVITATION PROCESS FOR ELECTRONIC BILLING AND PAYMENT SYSTEM**

(75) Inventors: **Mark Orttung**, Menlo Park, CA (US);
Rene Lacerte, Portola Valley, CA (US);
Eric Chan, Hayward, CA (US); **Robert S. Lam**, San Mateo, CA (US)

(73) Assignee: **Bill.com, Inc.**, Palo Alto, CA (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 113 days.

(21) Appl. No.: **13/087,215**

(22) Filed: **Apr. 14, 2011**

(65) **Prior Publication Data**

US 2011/0196771 A1 Aug. 11, 2011

Related U.S. Application Data

(63) Continuation of application No. 13/046,335, filed on Mar. 11, 2011, which is a continuation-in-part of application No. 12/363,647, filed on Jan. 30, 2009.

(60) Provisional application No. 61/313,075, filed on Mar. 11, 2010, provisional application No. 61/356,477, filed on Jun. 18, 2010, provisional application No. 61/025,255, filed on Jan. 31, 2008, provisional application No. 61/059,624, filed on Jun. 6, 2008, provisional application No. 61/088,984, filed on Aug. 14, 2008, provisional application No. 61/140,752, filed on Dec. 24, 2008, provisional application No. 61/141,819, filed on Dec. 31, 2008.

(51) **Int. Cl.**

G07F 19/00 (2006.01)

H04M 15/00 (2006.01)

G06Q 40/00 (2012.01)

G06Q 30/04 (2012.01)

G06Q 20/10 (2012.01)

G06Q 40/02 (2012.01)

G06Q 20/04 (2012.01)

(52) **U.S. Cl.**

CPC **G06Q 30/04** (2013.01); **G06Q 20/102** (2013.01); **G06Q 40/10** (2013.01); **G06Q 40/02** (2013.01); **G06Q 40/00** (2013.01); **G06Q 20/10** (2013.01); **G06Q 20/04** (2013.01)

USPC **705/34**; **705/40**

(58) **Field of Classification Search**

CPC **G06Q 30/04**; **G06Q 20/102**; **G06Q 40/10**;
G06Q 40/02; **G06Q 40/00**; **G06Q 20/10**;
G06Q 20/04

USPC **705/34**, **40**
See application file for complete search history.

(56) **References Cited**

U.S. PATENT DOCUMENTS

5,121,945 A 6/1992 Thomson et al.

5,558,232 A 9/1996 Stevens et al.

(Continued)

OTHER PUBLICATIONS

Virtual Parentalism by Fairfield, Joshua, Washington & Lee Review 66.3 (Summer 2009): 1215-1243.*

(Continued)

Primary Examiner — Matthew Gart

Assistant Examiner — Harshad Parikh

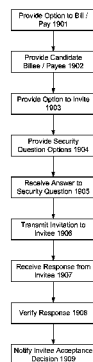
(74) *Attorney, Agent, or Firm* — Greenberg Traurig LLP

(57)

ABSTRACT

Enhanced systems and methods for processing invoices, payments, and money transfers are described. One aspect of the invention is a computer-implemented method (and corresponding system and computer program product) for inviting an entity to open an account at a billing and payment system, the method comprising: receiving from a first entity an instruction to invite a second entity to open an account at the payment system, the first entity having an account with the payment system; receiving from the first entity a security question and an answer to the security question to accompany the invitation; transmitting to the second entity the invitation along with the security question; receiving from the second entity an acceptance of the invitation along with an answer to the security question; verifying the acceptance by comparing the answer received from the second entity to the answer received from the first entity; responsive to the two answers match, determining the acceptance verified and opening an account for the second entity; and creating a link between the accounts of the two entities for the purpose of sharing invoice information, making electronic payments, transmitting remittance information, and maintaining basic information about the invitor and invitee.

18 Claims, 18 Drawing Sheets



(56)

References Cited

U.S. PATENT DOCUMENTS

5,576,951 A *	11/1996	Lockwood	705/26.62	2003/0233321 A1	12/2003	Scolini et al.	
5,649,115 A	7/1997	Schrader et al.		2004/0015445 A1	1/2004	Heaven et al.	
5,810,173 A	9/1998	Stevens et al.		2004/0034594 A1	2/2004	Thomas et al.	
5,926,392 A	7/1999	York et al.		2004/0064375 A1	4/2004	Randell et al.	
5,933,817 A	8/1999	Hucal		2004/0078271 A1	4/2004	Morano et al.	
6,016,486 A *	1/2000	Nichols	706/47	2004/0098338 A1	5/2004	Uehara et al.	
6,044,362 A	3/2000	Neely		2004/0108382 A1	6/2004	Schum et al.	
6,058,380 A	5/2000	Anderson et al.		2004/0143547 A1	7/2004	Mersky	
6,067,538 A *	5/2000	Zorba et al.	706/47	2004/0167823 A1	8/2004	Neely et al.	
6,108,513 A	8/2000	Landa et al.		2004/0167853 A1	8/2004	Sharma	
6,285,991 B1	9/2001	Powar		2004/0181493 A1	9/2004	Cross et al.	
6,289,319 B1 *	9/2001	Lockwood	705/35	2004/0199427 A1	10/2004	Van Der Loo	
6,292,789 B1	9/2001	Schutzer		2004/0216010 A1	10/2004	Muller	
6,343,275 B1	1/2002	Wong		2005/0033615 A1 *	2/2005	Nguyen et al.	705/5
6,360,951 B1	3/2002	Swinehart		2005/0060260 A1	3/2005	Masuda et al.	
6,366,927 B1 *	4/2002	Meek et al.	345/442	2005/0075978 A1	4/2005	Leavitt et al.	
6,385,595 B1	5/2002	Koling et al.		2005/0091132 A1	4/2005	Phillips et al.	
6,408,284 B1 *	6/2002	Hilt et al.	705/40	2005/0102608 A1	5/2005	Batres	
6,616,458 B1 *	9/2003	Walker et al.	434/322	2005/0151999 A1	7/2005	Inikori	
6,650,767 B2	11/2003	Jones et al.		2005/0182735 A1 *	8/2005	Zager et al.	705/67
7,004,393 B2	2/2006	Schum et al.		2006/0116956 A1	6/2006	Leavitt et al.	
7,117,172 B1	10/2006	Black		2006/0282381 A1	12/2006	Ritchie	
7,177,828 B1	2/2007	Land et al.		2006/0291446 A1 *	12/2006	Caldwell et al.	370/351
7,317,823 B1	1/2008	Price et al.		2007/0038564 A1	2/2007	Leavitt et al.	
7,379,912 B1 *	5/2008	Camin et al.	705/38	2007/0045930 A1	3/2007	Hayduchok et al.	
7,386,484 B1 *	6/2008	Cuzzocrea	705/26.43	2007/0067240 A1	3/2007	George	
7,412,412 B2 *	8/2008	Buxton et al.	705/35	2007/0112674 A1	5/2007	Jones	
7,472,090 B1	12/2008	White		2007/0174112 A1 *	7/2007	Thorson	705/13
7,509,285 B1 *	3/2009	Maniar et al.	705/38	2007/0208640 A1	9/2007	Banasiak et al.	
7,512,564 B1	3/2009	Geer		2007/0246528 A1 *	10/2007	Kubo et al.	235/380
7,515,697 B2	4/2009	Eng et al.		2007/0260536 A1	11/2007	Stone	
7,536,325 B2	5/2009	Randell et al.		2007/0271160 A1	11/2007	Stone et al.	
7,606,766 B2	10/2009	Anderson et al.		2007/0288364 A1	12/2007	Gendler	
7,637,423 B2	12/2009	Meidell et al.		2007/0299780 A1 *	12/2007	Vanska et al.	705/59
7,637,427 B2	12/2009	Weiss		2008/0010199 A1	1/2008	Allin et al.	
7,668,363 B2	2/2010	Price et al.		2008/0015982 A1	1/2008	Sokolic et al.	
7,767,925 B2	8/2010	DiBiao et al.		2008/0027844 A1 *	1/2008	Little et al.	705/35
7,792,717 B1	9/2010	Hankins et al.		2008/0033851 A1	2/2008	Williams et al.	
7,809,615 B2	10/2010	Hui et al.		2008/0040264 A1	2/2008	Allin et al.	
7,809,616 B1	10/2010	Orttung et al.		2008/0046363 A1	2/2008	Ali et al.	
7,881,962 B2	2/2011	Mason		2008/0114670 A1	5/2008	Friesen	
7,996,308 B1 *	8/2011	Bent et al.	705/39	2008/0114679 A1 *	5/2008	Burchetta et al.	705/44
8,036,987 B1	10/2011	Grbac et al.		2008/0123932 A1	5/2008	Jones et al.	
8,045,784 B2	10/2011	Price et al.		2008/0162311 A1	7/2008	Hendrix et al.	
8,160,959 B2	4/2012	Rackley		2008/0168068 A1 *	7/2008	Hutheising	707/10
8,195,570 B1	6/2012	Barron et al.		2008/0208727 A1	8/2008	McLaughlin et al.	
8,311,874 B2	11/2012	Gupta et al.		2008/0229218 A1	9/2008	Maeng	
8,315,900 B2	11/2012	Schwarz et al.		2008/0249902 A1	10/2008	Lehman et al.	
8,521,626 B1	8/2013	Orttung et al.		2008/0249936 A1	10/2008	Miller et al.	
2002/0019808 A1	2/2002	Sharma		2008/0249951 A1	10/2008	Gilder et al.	
2002/0023029 A1	2/2002	Denver		2008/0281628 A1 *	11/2008	Flynn	705/2
2002/0023230 A1 *	2/2002	Bolnick et al.	713/202	2008/0281702 A1 *	11/2008	Kirkwood	705/14
2002/0087428 A1 *	7/2002	Koide et al.	705/26	2008/0288413 A1	11/2008	Weber	
2002/0111886 A1	8/2002	Chenevich et al.		2008/0319882 A1	12/2008	Wyle	
2002/0111915 A1	8/2002	Clemens et al.		2009/0042175 A1 *	2/2009	Zorba et al.	434/323
2002/0111916 A1	8/2002	Coronna et al.		2009/0060314 A1	3/2009	Price et al.	
2002/0128967 A1	9/2002	Meyer et al.		2009/0063206 A1	3/2009	Payne et al.	
2002/0133441 A1	9/2002	Tanaka		2009/0106152 A1 *	4/2009	Dill et al.	705/44
2002/0143674 A1	10/2002	Beckman		2009/0132286 A1	5/2009	Blaquier	
2002/0143716 A1	10/2002	Byrne et al.		2009/0132414 A1	5/2009	Philliou et al.	
2002/0194127 A1	12/2002	Randell et al.		2009/0164325 A1	6/2009	Bishop et al.	
2003/0009420 A1	1/2003	Jones		2009/0182605 A1	7/2009	Lappas et al.	
2003/0033159 A1	2/2003	Altomare		2009/0198622 A1 *	8/2009	Temte et al.	705/80
2003/0036991 A1 *	2/2003	Fortes et al.	705/37	2009/0204519 A1	8/2009	Randell et al.	
2003/0036999 A1	2/2003	Mirlas et al.		2009/0204522 A1	8/2009	Meyer et al.	
2003/0055756 A1	3/2003	Allan		2009/0244600 A1	10/2009	Haycock	
2003/0069933 A1	4/2003	Lim et al.		2009/0292528 A1 *	11/2009	Kameyama	704/9
2003/0093414 A1	5/2003	Litzow et al.		2009/0292619 A1	11/2009	Kagan et al.	
2003/0126079 A1	7/2003	Roberson et al.		2009/0307177 A1 *	12/2009	Tirpak et al.	706/53
2003/0144894 A1 *	7/2003	Robertson et al.	705/8	2009/0319347 A1 *	12/2009	Albrecht	705/11
2003/0177078 A1 *	9/2003	Kozio et al.	705/35	2009/0328158 A1 *	12/2009	Ollila et al.	726/4
2003/0187800 A1 *	10/2003	Moore et al.	705/52	2010/0070397 A1	3/2010	Hahn-Carlson et al.	
2003/0191701 A1	10/2003	Haseltine et al.		2010/0106592 A1 *	4/2010	Brown	705/14.34
2003/0220855 A1	11/2003	Lam et al.		2010/0114766 A1	5/2010	Gustin et al.	
2003/0220875 A1	11/2003	Lam et al.		2010/0128324 A1	5/2010	Price et al.	
				2010/0145839 A1	6/2010	Lam et al.	
				2010/0161466 A1	6/2010	Gilder	
				2010/0268665 A1 *	10/2010	Lutnick et al.	705/36 R
				2010/0306103 A1	12/2010	Hankins et al.	

(56)

References Cited

U.S. PATENT DOCUMENTS

2011/0055780	A1 *	3/2011	Venell	716/106
2011/0184843	A1 *	7/2011	Orttung et al.	705/34
2011/0184868	A1 *	7/2011	Lacerte et al.	705/45
2011/0196771	A1 *	8/2011	Lacerte et al.	705/35
2011/0196786	A1 *	8/2011	Lacerte et al.	705/40
2011/0270749	A1	11/2011	Bennett et al.	
2011/0279851	A1 *	11/2011	Berger et al.	358/1.15
2011/0283196	A1 *	11/2011	Berger et al.	715/738
2012/0023016	A1	1/2012	Roshan Babu	
2012/0036065	A1 *	2/2012	Orttung et al.	705/40
2012/0041879	A1	2/2012	Kim et al.	
2012/0054589	A1 *	3/2012	Berger et al.	715/202
2012/0066613	A1 *	3/2012	Berger	715/751
2012/0150762	A1 *	6/2012	Ormerod	705/325
2012/0210200	A1 *	8/2012	Berger et al.	715/202
2012/0303483	A1 *	11/2012	Lee et al.	705/26.41
2013/0204756	A1	8/2013	Orttung et al.	

2013/0226798	A1	8/2013	Orttung et al.	
2013/0239185	A1	9/2013	Orttung et al.	
2014/0032402	A1 *	1/2014	Stern et al.	705/40

OTHER PUBLICATIONS

De Felice, A., "Rene Lacerte: Entrepreneur by Blood," Accounting Technology, Boston, Jan./Feb. 2008, p. 40, vol. 24, Issue 1.
Avery, S., "Computers, Business Systems and Office Products," Purchasing, Boston, Jul. 11, 1996, pp. 125-135, vol. 120, Issue 11.
Office Action for U.S. Appl. No. 12/483,731, Jul. 20, 2010, 43 pages.
Bers, J.S., "Image-Based Bill Payment Profits Bank of Montreal," Bank Systems and Technology, New York, Oct. 1999, p. 33, vol. 33, Issue 10.
Dent, A.L., "Managing Your Agency Office," Canadian Insurance, Toronto, Sep. 1980, p. 22, vol. 85, Issue 10.
Tulenko, P., "Keeping Honest Workers Honest," Cincinnati Post, Cincinnati, Ohio, Mar. 20, 2006, p. c.8.0.
Quickbooks course, Sun Journal, Sep. 24, 2007:B3.

* cited by examiner

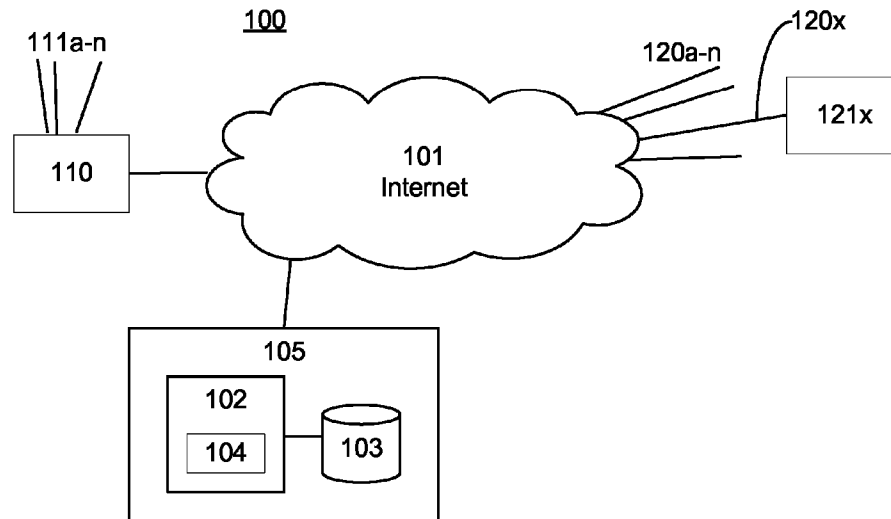


FIG. 1

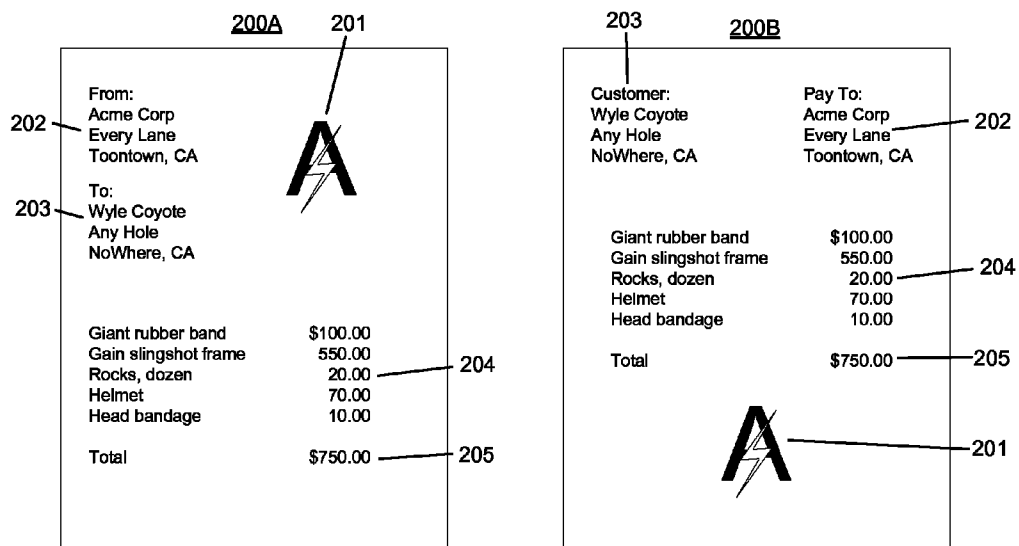


FIG. 2

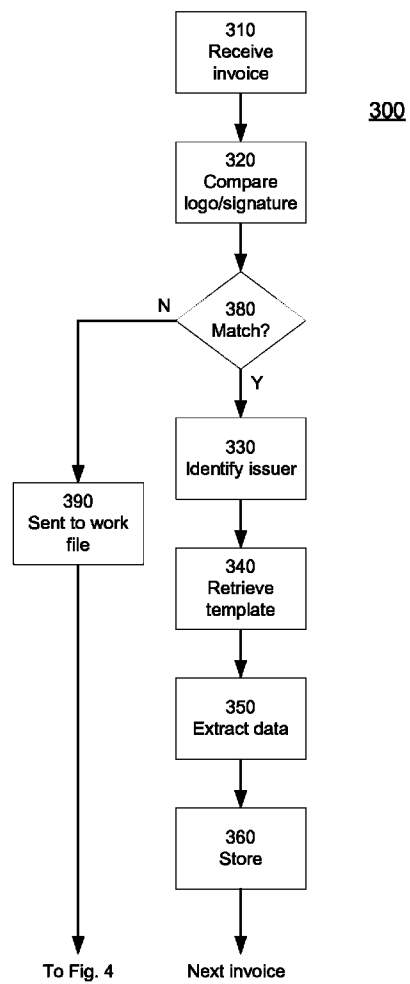


FIG. 3

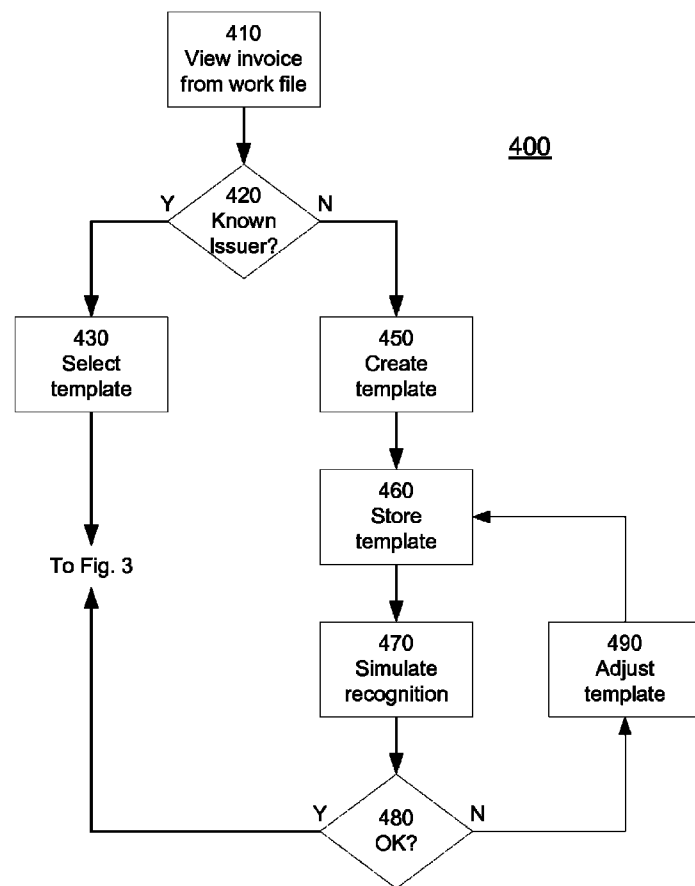


FIG. 4

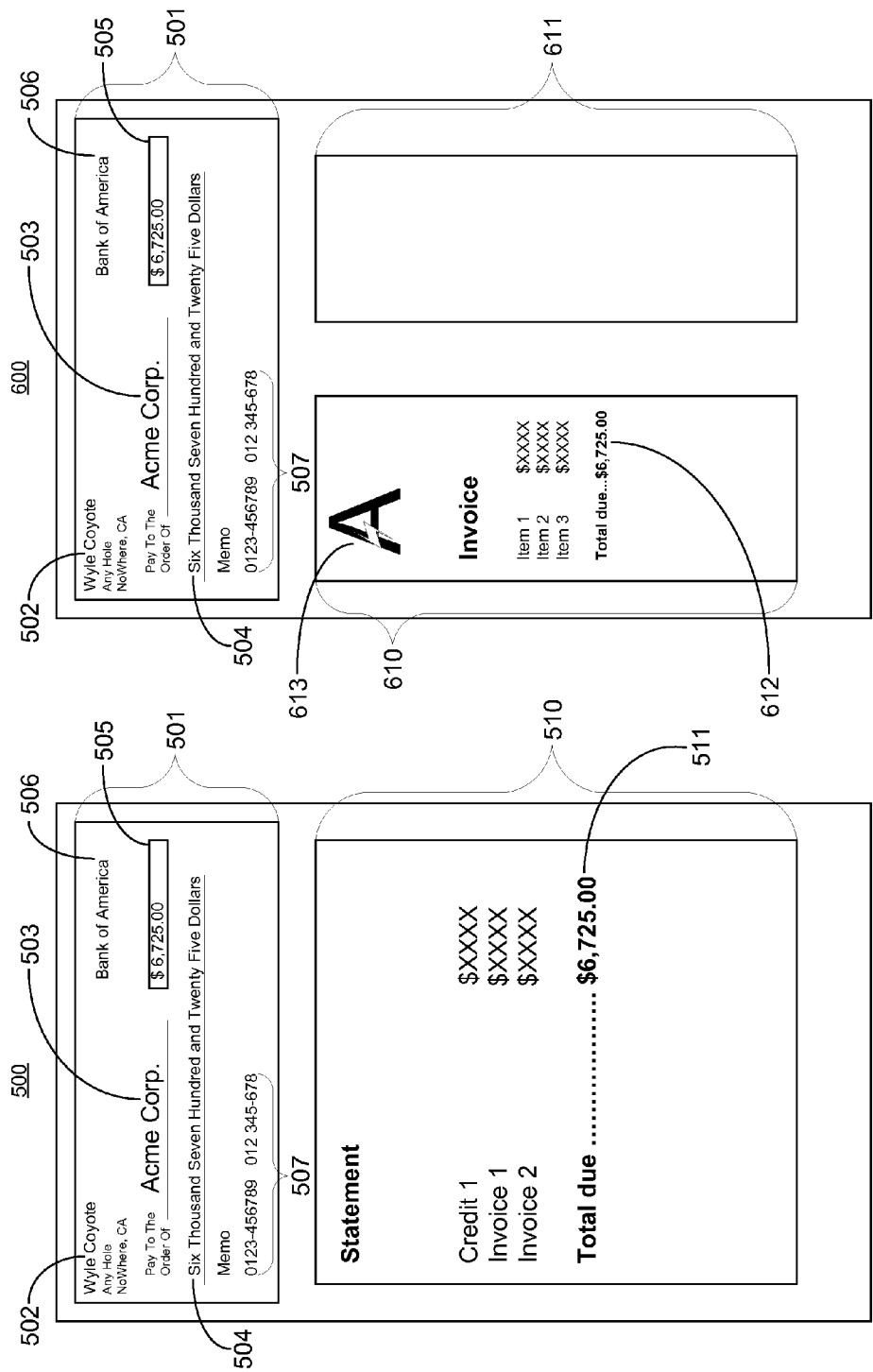


FIG. 5

FIG. 6

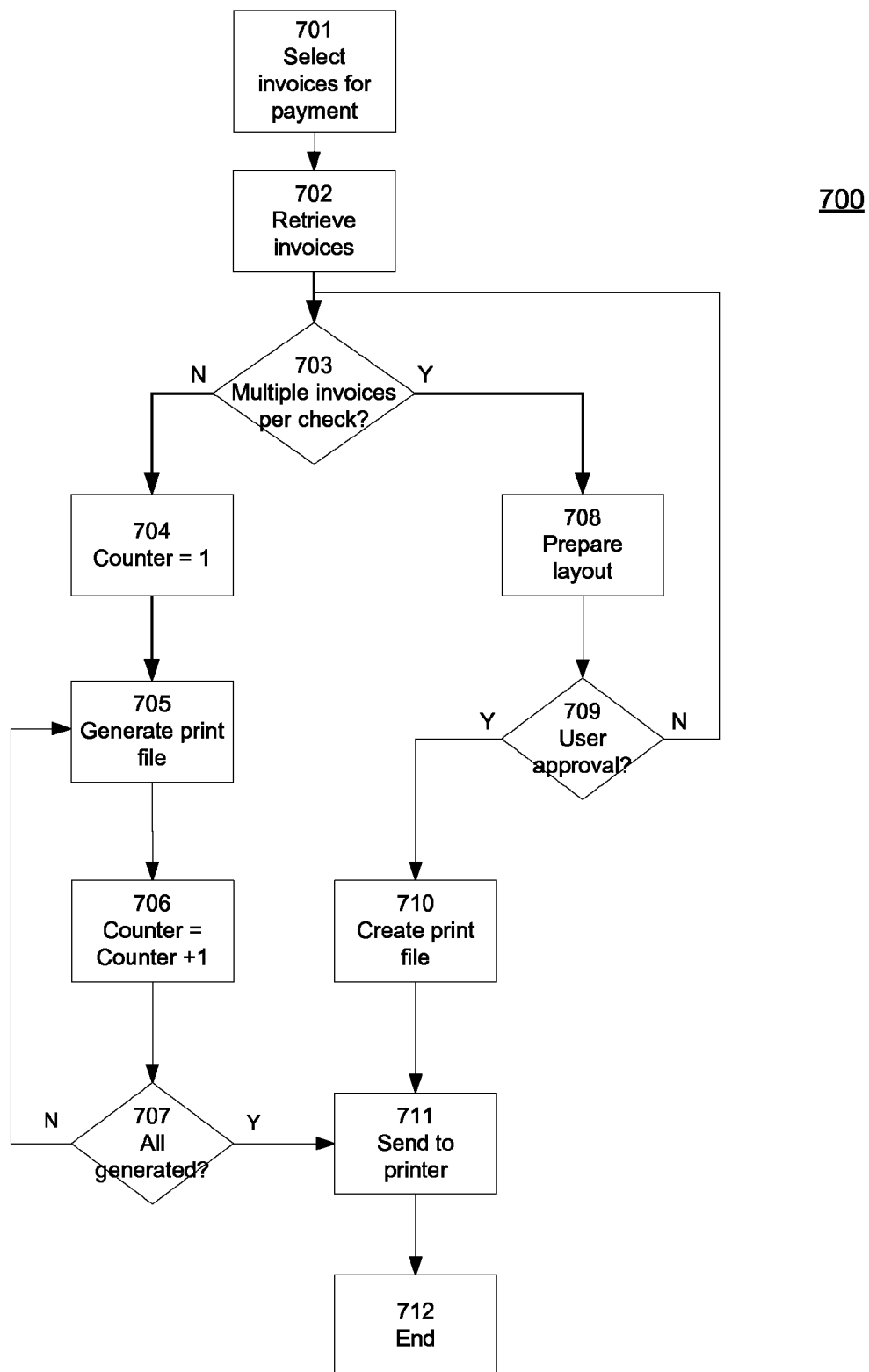


FIG. 7

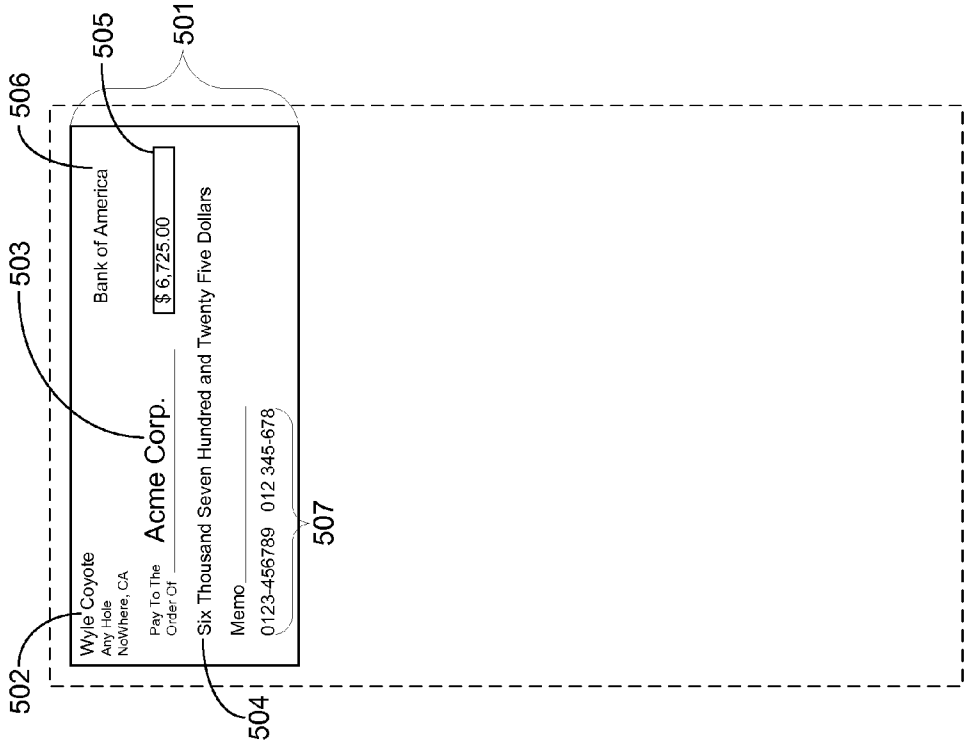
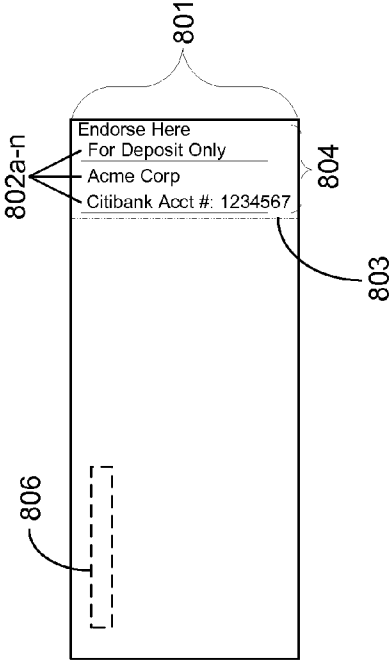
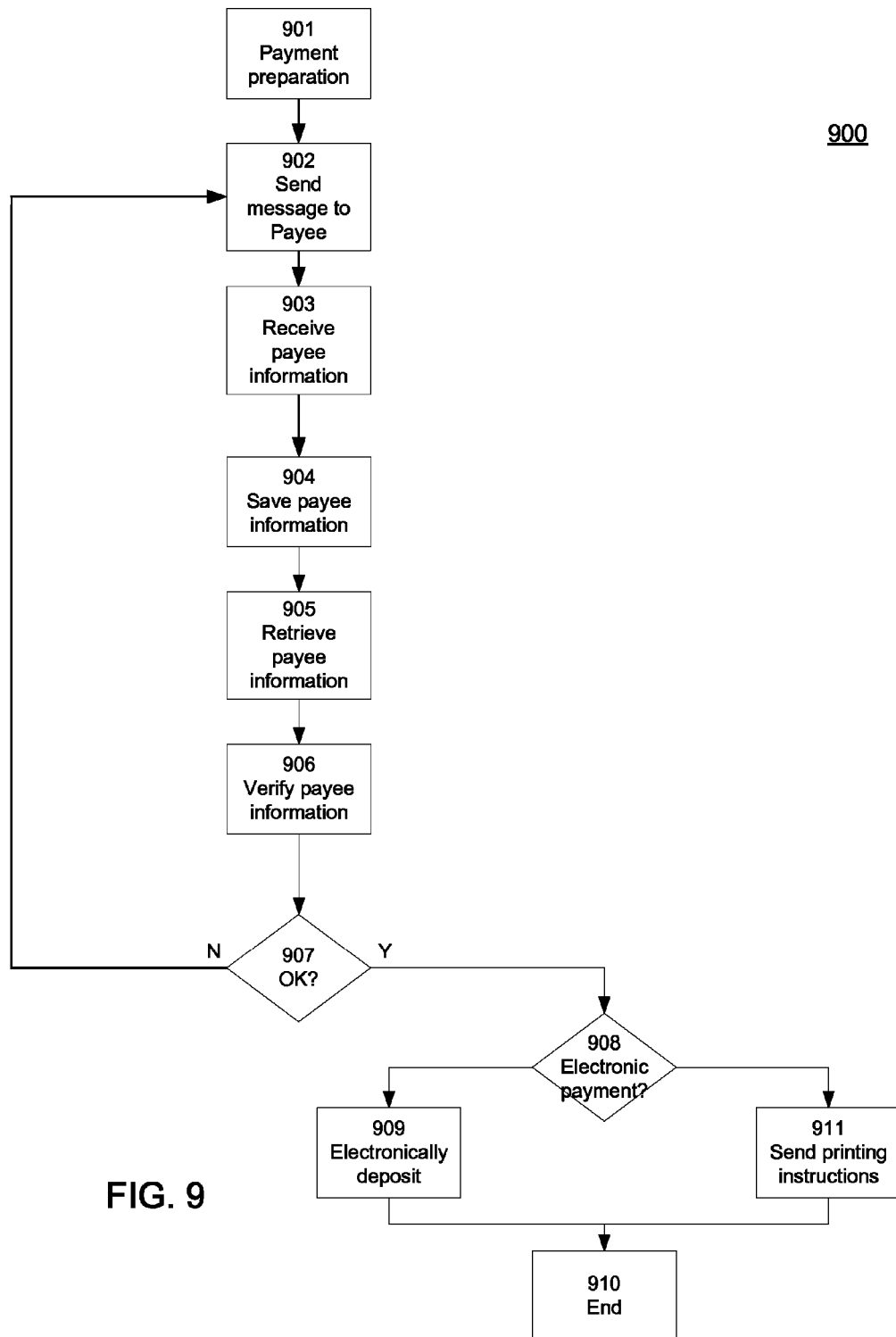


FIG. 8



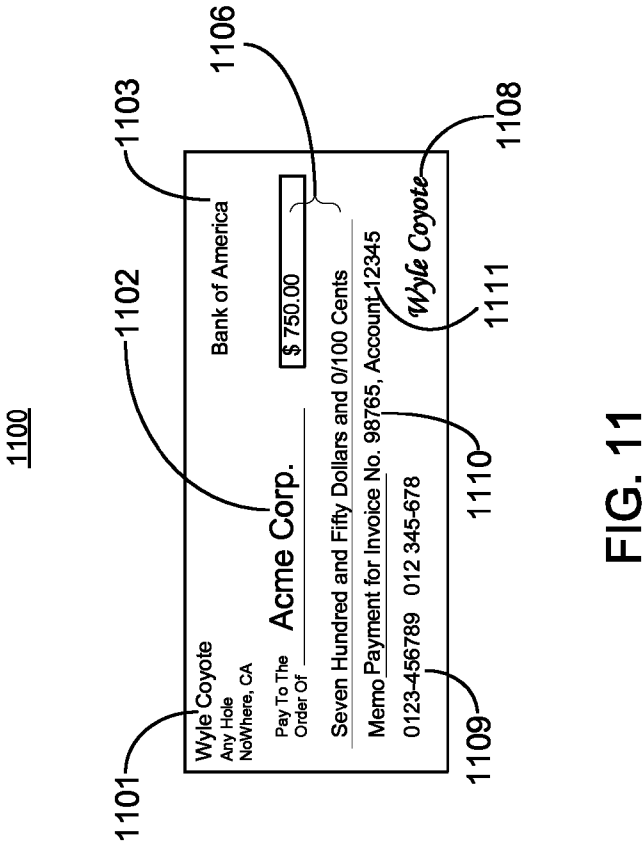


FIG. 10

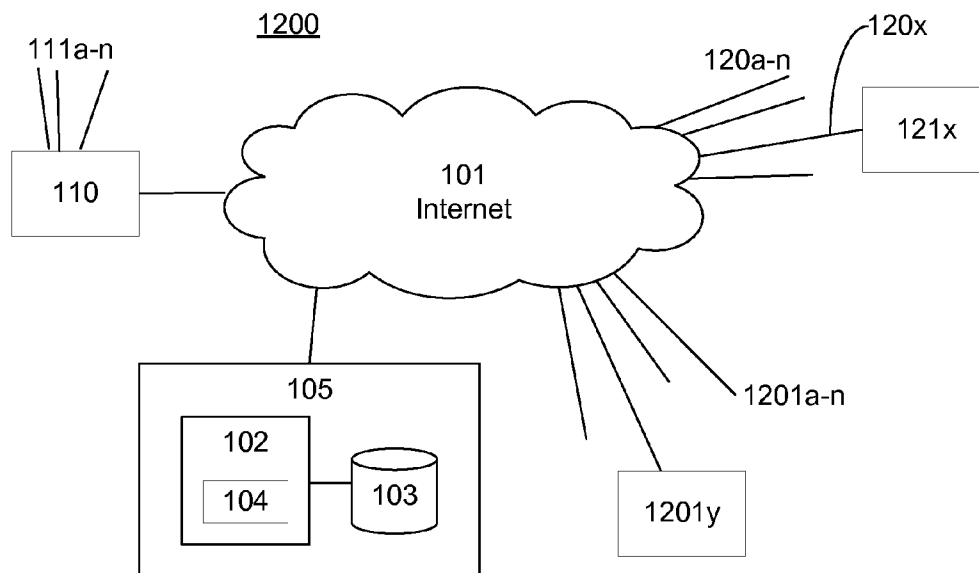


FIG. 12

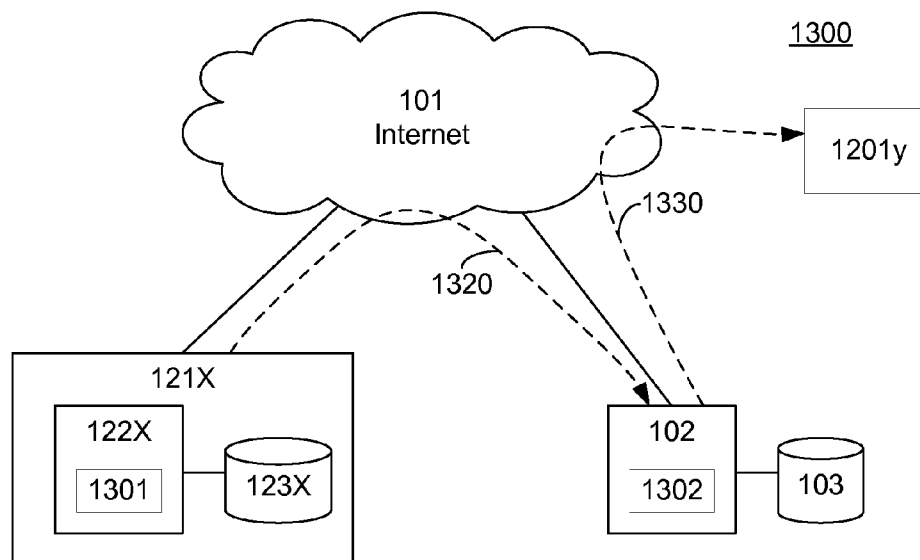
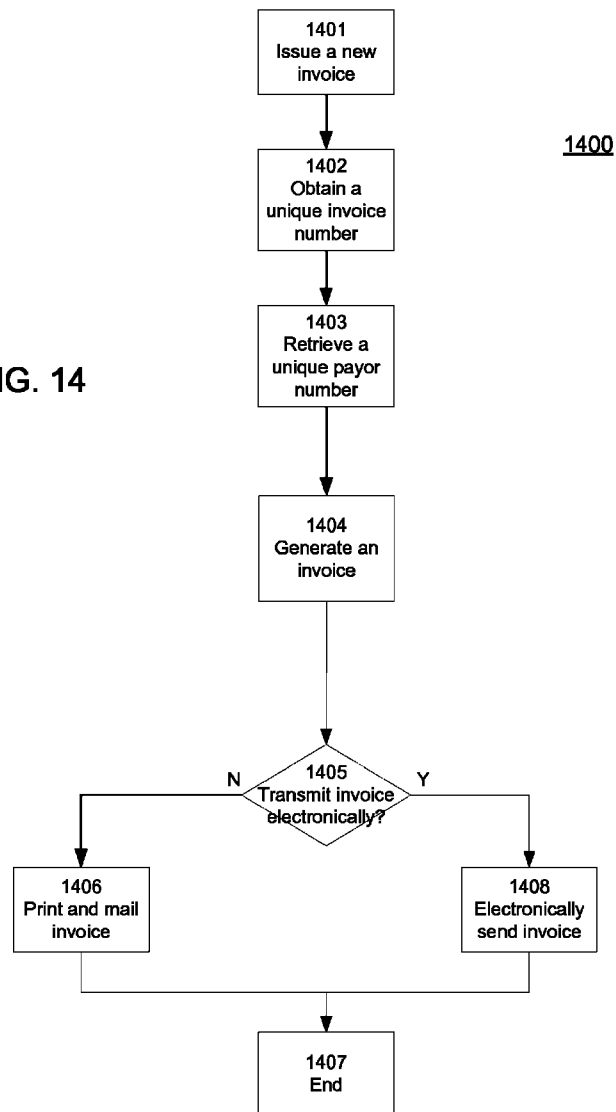
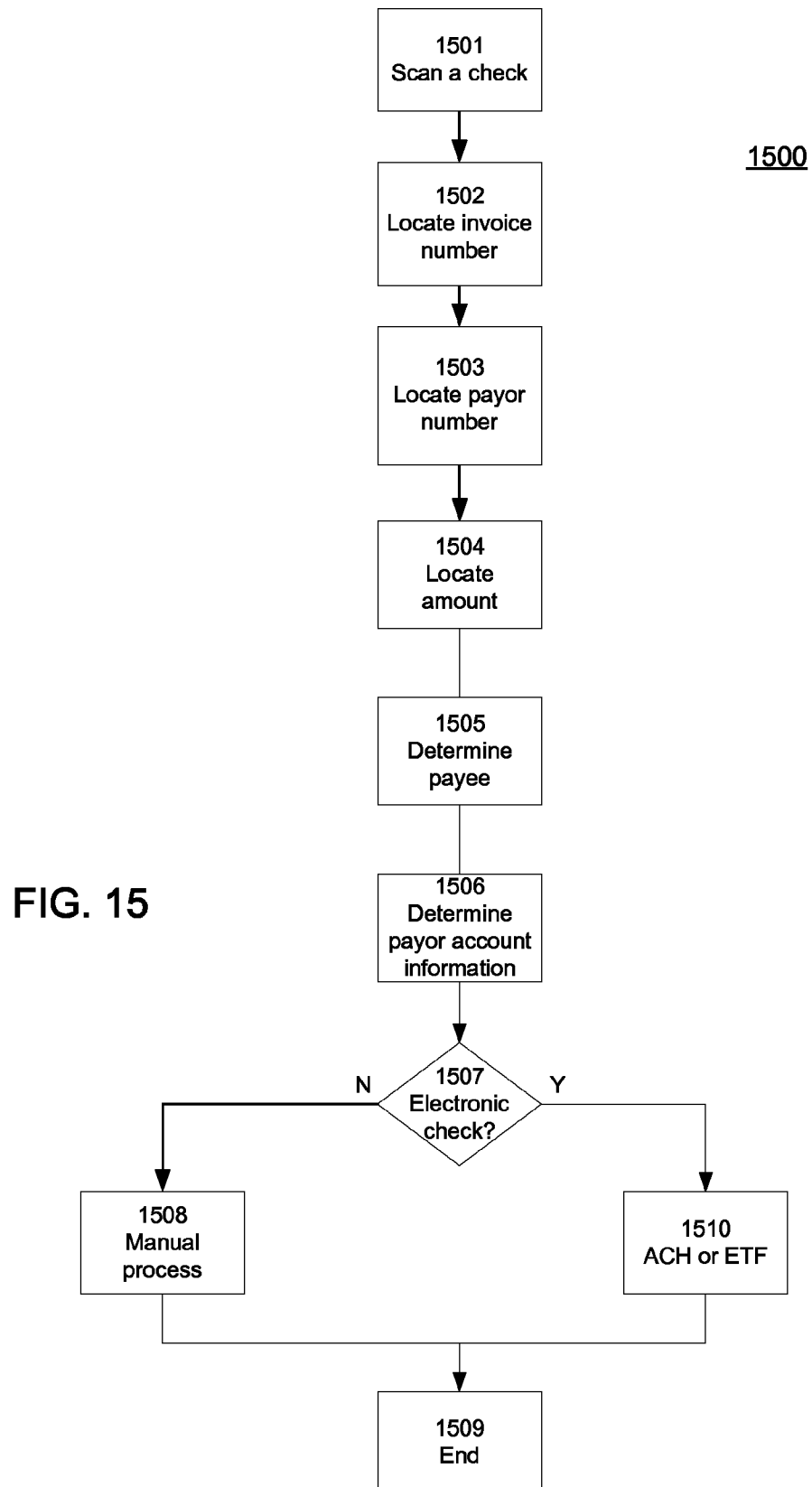


FIG. 13

FIG. 14





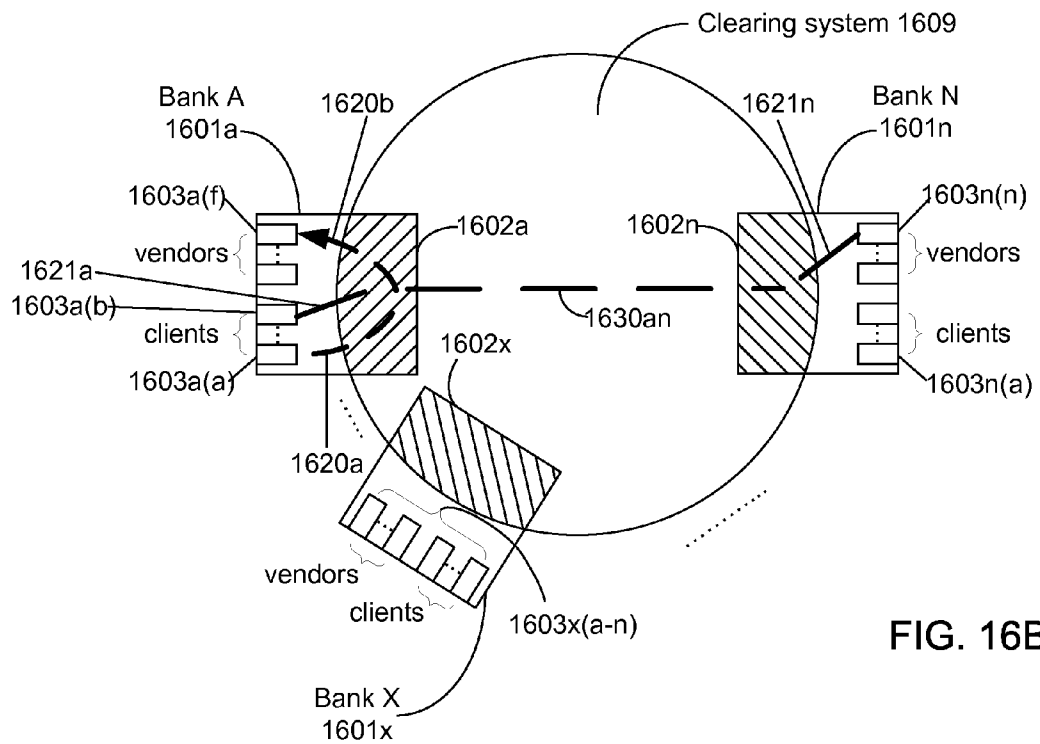
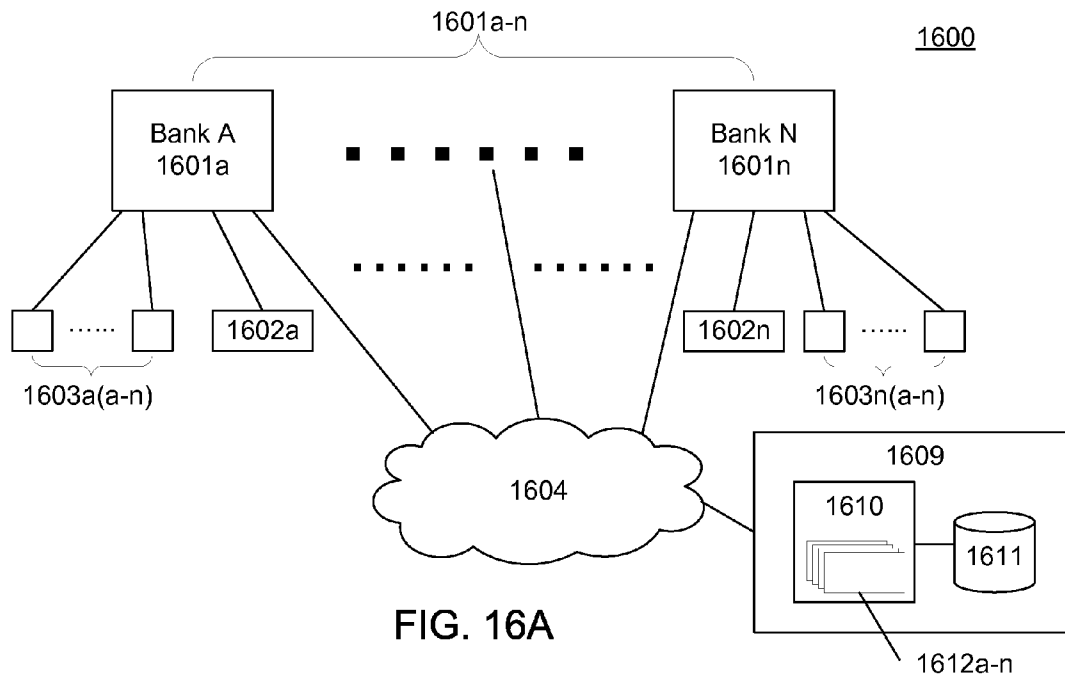
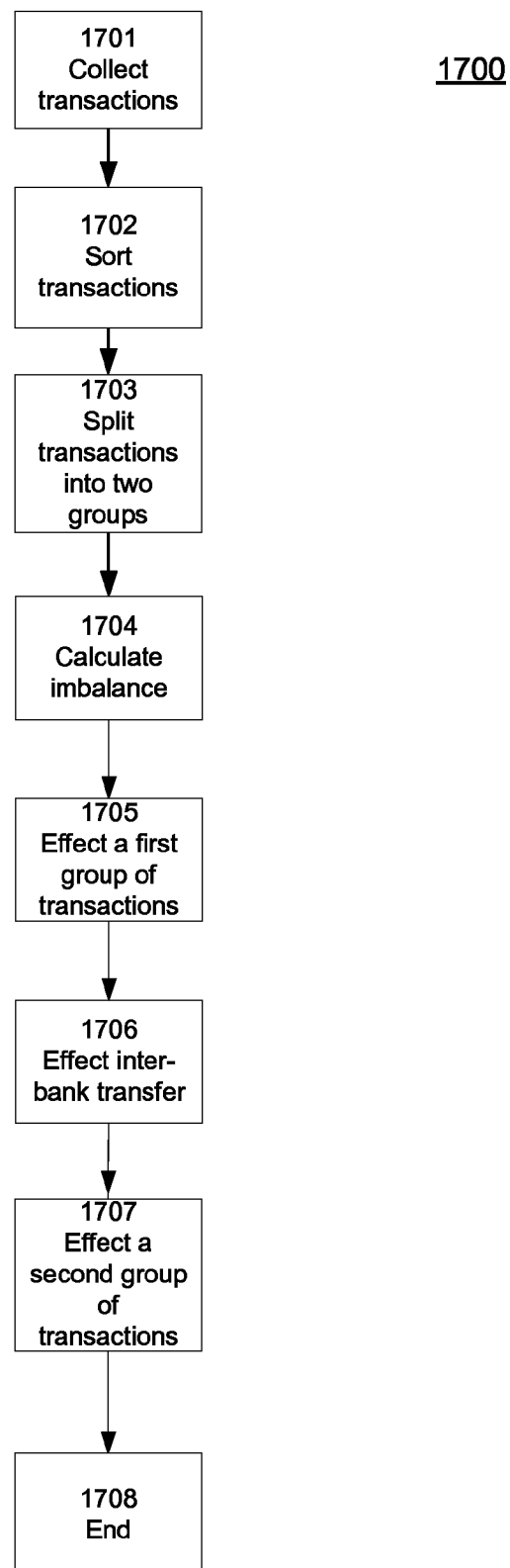


FIG. 17



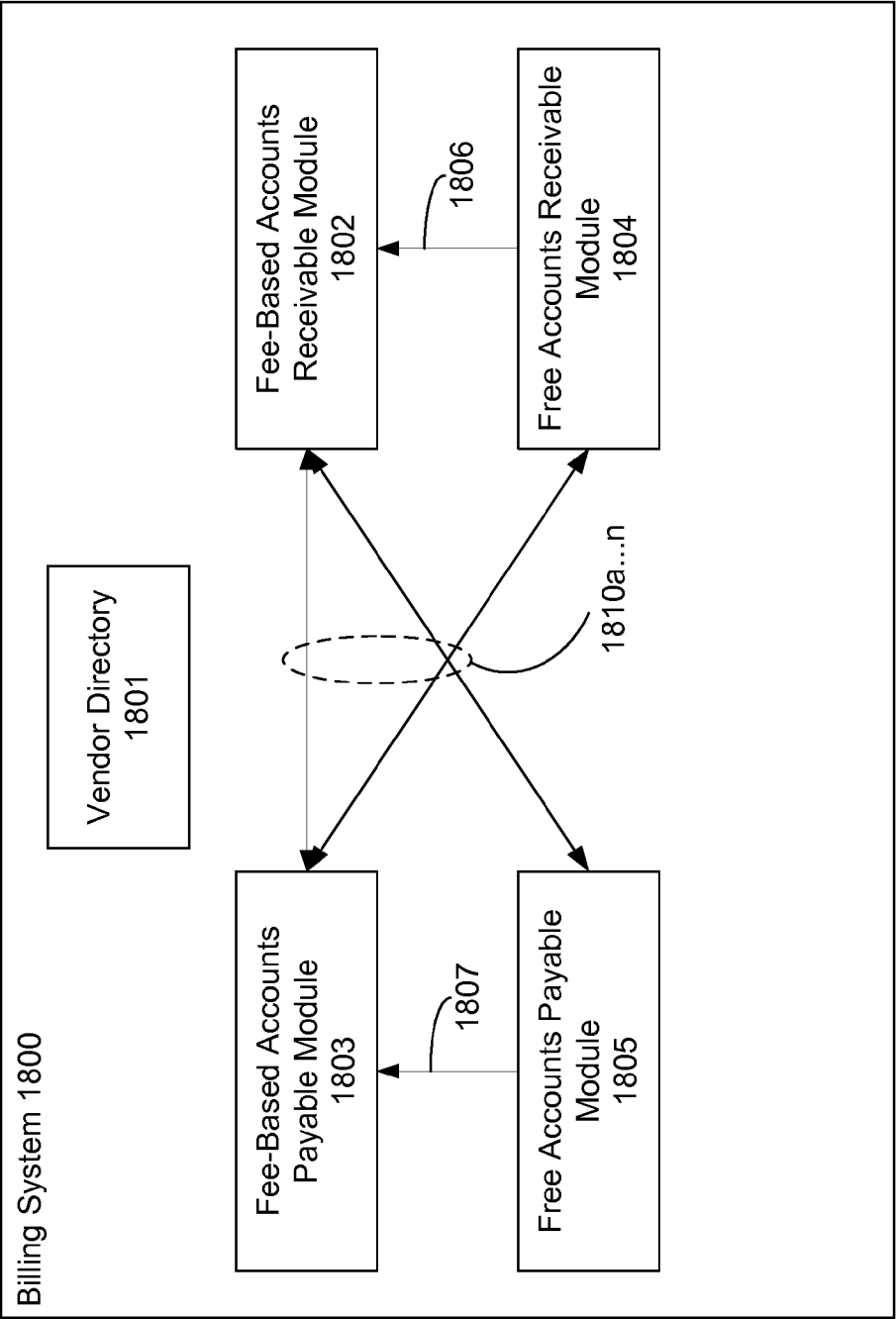


FIG. 18

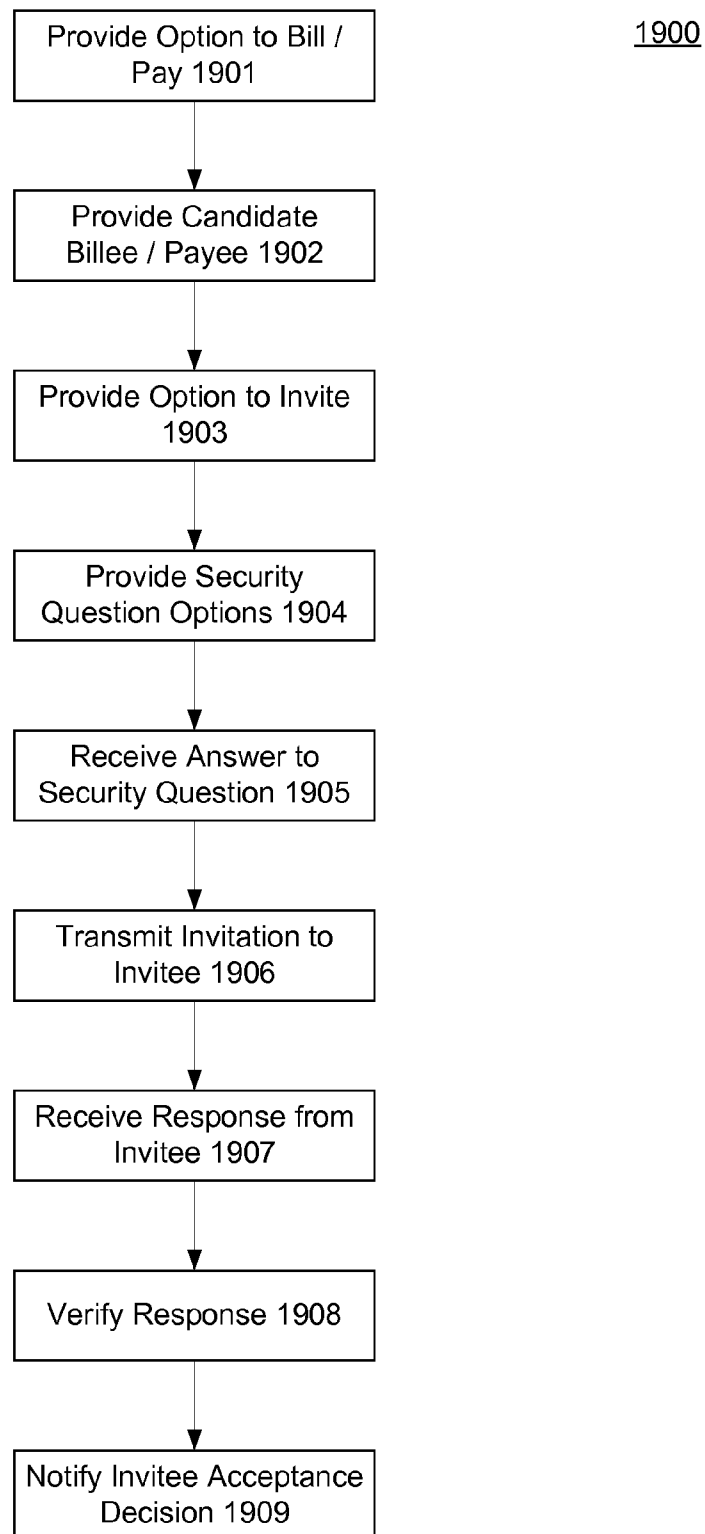


FIG. 19

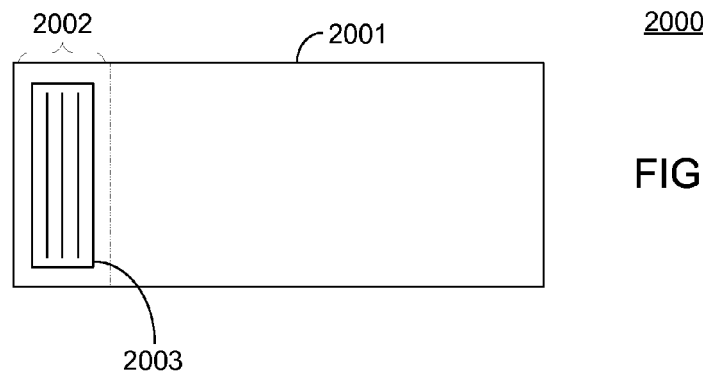


FIG. 20A

2004

2005 ☐ Check to receive future payments electronically (free).

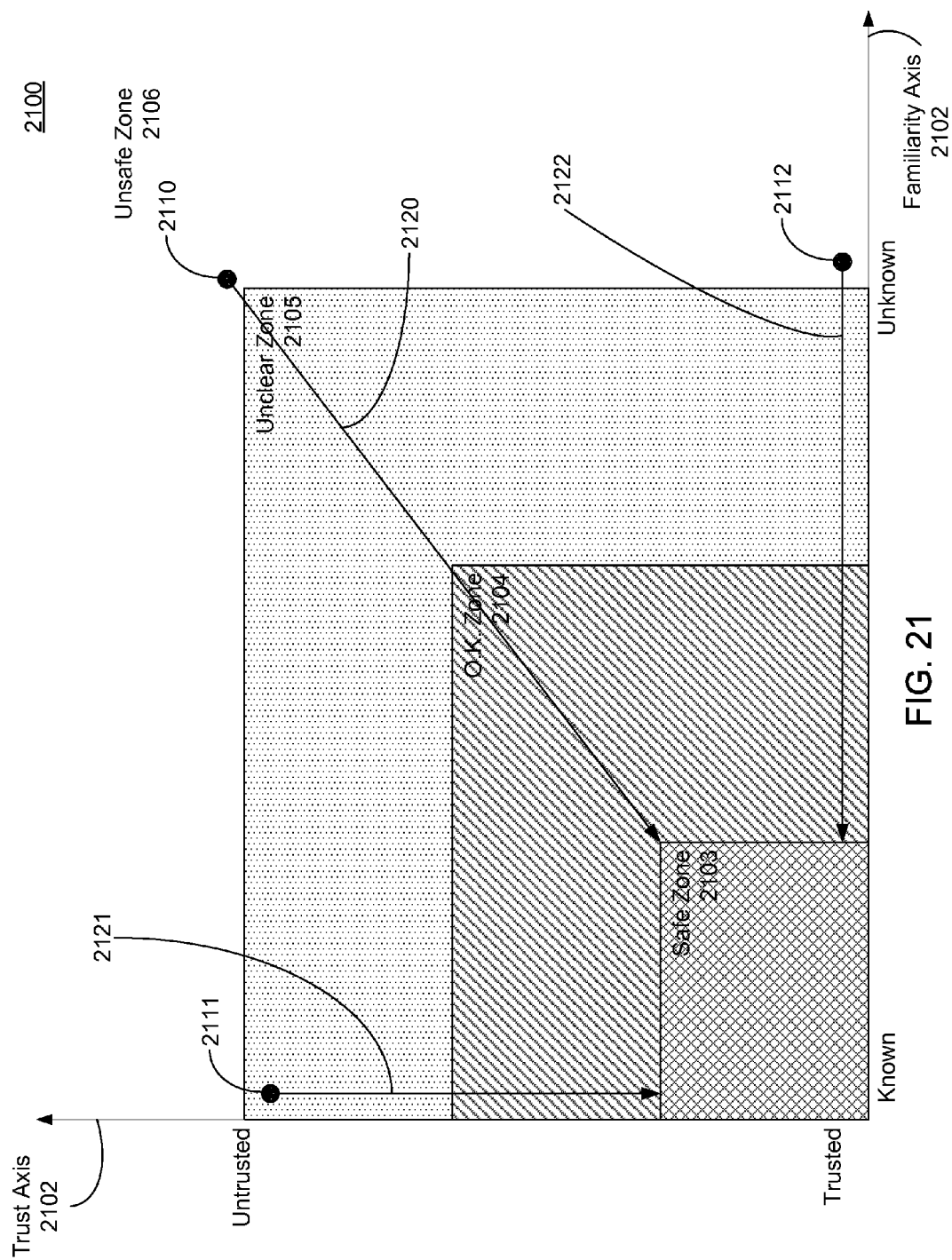
2006 ABA#: _____

2007 A/C#: _____

2008 E-Mail: _____

For Additional Information, Visit WWW.****.COM/TC

FIG. 20B



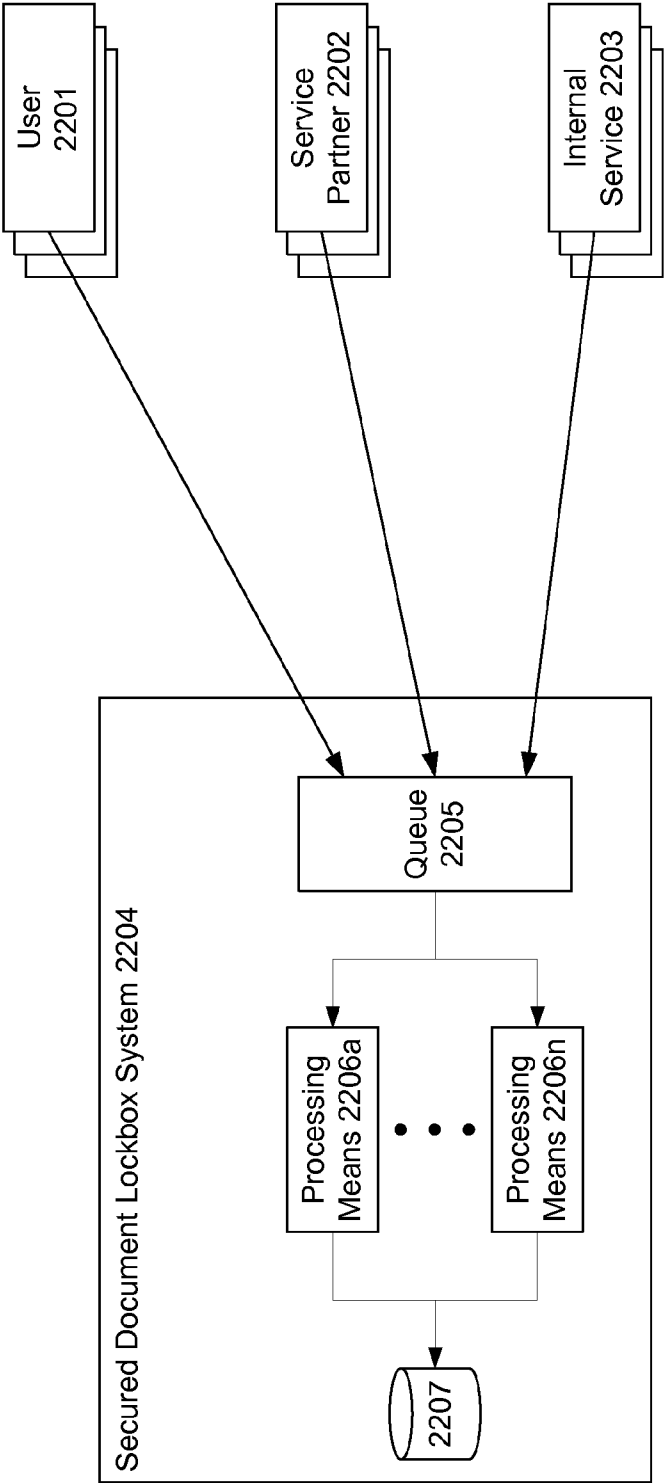


FIG. 22

1

ENHANCED INVITATION PROCESS FOR ELECTRONIC BILLING AND PAYMENT SYSTEM

CROSS-REFERENCE TO RELATED APPLICATION

This application is a continuation of U.S. patent application Ser. No. 13/046,335, filed on Mar. 11, 2011. U.S. patent application Ser. No. 13/046,335 is a continuation-in-part of U.S. patent application Ser. No. 12/363,647, filed on Jan. 30, 2009, and claims priority under 35 U.S.C. §119(e) to U.S. Provisional Patent Application Ser. No. 61/313,075, filed on Mar. 11, 2010, and U.S. Provisional Patent Application Ser. No. 61/356,477, filed on Jun. 18, 2010. U.S. patent application Ser. No. 12/363,647 claims priority under 35 U.S.C. §119(e) to U.S. Provisional Patent Application Ser. No. 61/025,255, filed Jan. 31, 2008; U.S. Provisional Patent Application Ser. No. 61/059,624, filed Jun. 6, 2008; U.S. Provisional Patent Application Ser. No. 61/088,984, filed Aug. 14, 2008; U.S. Provisional Patent Application Ser. No. 61/140,752, filed Dec. 24, 2008; and U.S. Provisional Patent Application Ser. No. 61/141,819, filed Dec. 31, 2008. The subject matter of all of the foregoing is incorporated herein by reference in their entirety.

BACKGROUND OF THE INVENTION

1. Field of the Invention

This invention relates generally to automated computer processing of invoices, payments, and money transfers.

2. Description of the Related Art

For years companies have been trying to move transactions into an electronic system. Large businesses have the resources and scale to justify the installation of new electronic systems. However, for a large segment of small and medium size enterprises (SMEs), such attempts have not fared well. This is because it is not cost effective for SMEs to install a dedicated system and there is no standardized transaction system to allow the sharing of costs among many different businesses.

In addition, traditional payment methods typically require related parties to know each other's bank accounts. For example, in order for a payor to electronically transfer a payment into a vendor's bank account, the payor must know the vendor's bank account number and ABA routing number. When the vendor receives the payment, it can also find out the payor's bank account number. Thus, entities cannot hide their bank account information when making/receiving payments using the traditional payment methods.

SUMMARY OF THE INVENTION

The present invention overcomes the limitations of the prior art by providing enhanced systems and methods for processing invoices, checks, and money transfers.

One aspect of the invention is a computer-implemented method for inviting an entity to open an account at a billing and payment system, the method comprising: issuing a check payable to the entity, wherein a checkbox for opening an account at the billing and payment system is printed on an endorsement section of the check along with a reference to additional information regarding additional information related to the account opening; receiving an image of the endorsement section of the check after the check is cleared; determining whether the checkbox is checked in the image;

2

and responsive to a determination that the checkbox is checked, opening an account for the entity at the billing and payment system.

Other aspects of the invention include computer program product, systems and devices corresponding to the methods described above.

BRIEF DESCRIPTION OF THE DRAWINGS

The invention has other advantages and features which will be more readily apparent from the following detailed description of the invention and the appended claims, when taken in conjunction with the accompanying drawings, in which:

FIG. 1 is a block diagram of an exemplary system according to one embodiment of the present invention.

FIG. 2 are diagrams of two exemplary invoices according to one embodiment of the present invention.

FIG. 3 is a flow diagram of an exemplary method for processing invoices according to one embodiment of the present invention.

FIG. 4 is a flow diagram of an exemplary method for processing unrecognized invoices according to one embodiment of the present invention.

FIG. 5 is a diagram of a typical payment document according to one embodiment of the present invention.

FIG. 6 is a diagram of an enhanced payment document according to one embodiment of the present invention.

FIG. 7 is a flow diagram of an exemplary process for generating enhanced payment documents according to one embodiment of the present invention.

FIG. 8 shows the top part of a payment document shown in FIG. 6 according to one embodiment of the present invention.

FIG. 9 is a flow diagram of an exemplary process for verifying that checks are correctly deposited according to one embodiment of the present invention.

FIG. 10 is a diagram of an exemplary invoice according to one embodiment of the present invention.

FIG. 11 is a diagram of an exemplary check according to one embodiment of the present invention.

FIG. 12 is a block diagram of an exemplary system according to one embodiment of the present invention.

FIG. 13 is a block diagram of an exemplary billing system according to one embodiment of the present invention.

FIG. 14 is a flow diagram of an exemplary process for preparing a billing transaction according to one embodiment of the present invention.

FIG. 15 is a flow diagram of an exemplary process for processing checks received from payors according to one embodiment of the present invention.

FIGS. 16A and 16B are block diagrams of a system view and an account view of an exemplary system according to one embodiment of the present invention.

FIG. 17 is a flow diagram of an exemplary process for implementing the system shown in FIGS. 16A-B according to one embodiment of the present invention.

FIG. 18 is a block diagram of a billing and payment system according to one embodiment of the present invention.

FIG. 19 is a flow diagram of an exemplary process for inviting entities to open accounts at an electronic billing and payment system according to one embodiment of the present invention.

FIGS. 20A and 20B are diagrams of a backside of an exemplary check and an endorsement section of the check according to one embodiment of the present invention.

FIG. 21 is a diagram of a map of trust and familiarity for an electronic billing and payment system according to one embodiment of the present invention.

FIG. 22 is a block diagram of a secured document lockbox system according to one embodiment of the present invention.

The figures depict embodiments of the present invention for purposes of illustration only. One skilled in the art will readily recognize from the following discussion that alternative embodiments of the structures and methods illustrated herein may be employed without departing from the principles of the invention described herein.

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENTS

Automated Invoice Capture

FIG. 1 shows an overview of an exemplary system 100 according to one embodiment of the present invention. An electronic service provider 110, such as eFax Services, is connected to the Internet 101. Other intranet or networks could be used instead of the Internet. Also connected to electronic service provider 110 are multiple fax lines (or fax numbers) 111a-n for receiving faxed invoices. Customer sites 121a-n (of which, for clarity and simplicity, only 121x is shown) connect to the Internet 101 via connections 120a-n. Corporate site 105 of an operator of this exemplary system 100 is represented here by a server 102, a storage system 103, and software 104 installed on the server 102. The actual architecture of such a system may, and in most cases probably will, comprise many servers, multiple storage systems and/or hard drives, and multiple instances of software. All these possible components are represented here by the single instances of the components of site 105.

FIG. 2 shows typical invoices as received, represented here as exemplary invoices 200A and 200B, according to one embodiment of the present invention. These invoices are issued by one party (the issuer) to another party (the recipient). Invoices 200A and 200B contain the following data, although with a slightly different layout: issuer logo 201, issuer name and address 202, recipient address 203, line items 204 and total amount due 205. Other additional data such as terms, due date, etc., are not shown in FIG. 2, but such data are customarily included on typical invoices.

One aspect of the invention includes approaches for recognizing an invoice, for example identifying the issuer of the invoice and/or recognizing the layout of the invoice. Invoices can be recognized by comparing them to a database of distinguishing features. For example, invoices might be recognized based on the logo of the issuer, name and/or address of the issuer, or other data or signature features that are unique to an issuer. Once an invoice is recognized, a corresponding template can be applied to extract the relevant data from the recognized invoice.

There are various modes by which an invoice may be entered into the system and various media on which the invoice may be received. For example, the recipient of a paper invoice could fax it to a dedicated fax number for that recipient's account, such as, for example, any of fax numbers 111a-n shown in FIG. 1. Alternately, the recipient of the invoice could instruct the issuer to fax the invoice directly to said account's dedicated fax number. In yet another case, an invoice recipient may have a customized email address residing on or connected to server 102, to which invoices may be emailed with attached files of any of various popular word processing or accounting or image capture programs, such as, for example, MS Word or Adobe Acrobat. In any case such a file may be converted into an image file showing the image of the invoice. In the case of a Word file, depending on the complexity of the format, direct parsing may be applied.

Alternately, the file may be printed to an Adobe Acrobat portable document file (.PDF) file and then processed as an image.

Once received, invoices can be recognized using many different types of distinguishing features beside those discussed above. Additional examples include but are not limited to black/white histograms, color histograms, sectional signatures and sectional histograms. OCR (Optical Character Recognition) can also be used as a part of the recognition process. It can be applied to just the header, to the entire invoice or to any part of the invoice. The result of the OCR can be used as the basis for recognizing an invoice. Alternately, OCR can be applied after an invoice has been recognized, in order to extract data from the invoice. Other examples of distinguishing features include metadata (e.g., fax number, issuer e-mail address, subject line, pdf- or Word-metadata, keywords, barcode), number of pages, OFX (Open Financial Exchange) download, and XML (eXtensible Markup Language) fields or tags. Other suitable structured files with a certificate may be used in other cases.

FIG. 3 shows an exemplary process 300 for processing a typical invoice, such as invoice 200A or invoice 200B, according to one embodiment of the present invention. The process 300 may be implemented by an electronic payment system such as the one shown in FIG. 1. The invoice image is received 310, for example by one of the ways described above. It may be emailed or uploaded or transferred by any of several electronic means from the site of service provider 110 to the site of system operator 105. The system 105 compares 320 the invoice to a database in storage system 103 that contains distinguishing features for known invoices. For example, the system 105 may search for a matching logo in a library of known issuer logos or search for a matching signature (or seal) in a library of known issuer signatures. In some cases, other distinguishing features (e.g., the originating fax number, the originating email address) may be used in addition to or in place of the logo pattern and signature to recognize the invoice.

At step 380, the process branches. If no match is found (no branch), the invoice is sent 390 to a work file, in which unprocessed documents are stored. Treatment of the documents in this work file is explained below, in the description of FIG. 4. If a match is found for the logo pattern or signature (yes branch), the system 105 identifies 330 the issuer. A corresponding template for the recognized invoice is also retrieved 340 from storage system 103. The template includes instructions for extracting data from the invoice, for example it may define fields identifying where and/or in what format on the invoice certain data is expected to be located. In some cases, an issuer may have more than one template. For example, the issuer may have different templates for personal users and for business customers. As another example, the issuer may have different templates for single-page and multi-page invoices, or may simply change the format of its invoice over time or by geographic region. Accordingly, the system 105 may use more refined decision-making processes to select the correct template for a particular invoice.

Data is extracted 350 from the invoice based on the selected template, using OCR and/or other suitable means. In some cases the image may be processed using OCR before it is received 310, for example, by using OCR functions provided by Adobe and other tools by other companies. The information extracted in step 350 is preferably stored 360 in a database that also resides in storage system 103.

In one approach, once a template is identified for an invoice, data may be automatically extracted from the invoice (e.g., as identified by fields in the template). In another

5

approach, invoices may be grouped together based on their similarity. Data extracted from certain locations in one invoice may be extracted from similar locations in other invoices in the group. Previously discovered data patterns may be reused on similar invoices. Data can also be manually extracted. Different pattern recognition engines, expert systems, rule-based engines and other approaches may also be used to extract data from invoices.

Processed invoices can also be used to check or refine the templates for an issuer. Differences between invoices for the same issuer or deviations from past norms can also be used to flag potential problems, as well as to request human review.

FIG. 4 shows an exemplary process 400 for processing unrecognized invoices that were previously stored in a work file in step 390 of FIG. 3, according to one embodiment of the present invention. An invoice is retrieved 410 from the work file, which resides in storage system 103. The invoice is presented for manual viewing 410 by a human operator. In step 420, the process branches. If the operator determines that the invoice is a document from a known issuer with known logo pattern/signature (yes branch) but, for whatever reason, the logo pattern/signature recognition has not worked (for example, a coffee stain on the logo may have made the logo unreadable to the automated recognition system), the process moves to step 430. The operator selects 430 a matching template and sends 440 the invoice back to the recognition process 300 (e.g., to data extraction step 350).

If, however, in step 420, the operator determines that the invoice cannot be matched with a known template (no branch), the operator creates 450 a new template. This new template may be created completely new or it may be created by modifying a suitable existing template. The new template, along with its issuer information and the invoice, is stored 460 in storage system 103. In step 470, a recognition simulation is performed to verify that the new template works correctly, namely that (1) the automated recognition system can properly identify the new template for the invoice and (2) data can be accurately extracted from the invoice based on the template. If, in step 480, the template simulation works correctly (yes branch), the invoice is sent 440 to the recognition process 300 as described above (e.g., to data extraction step 350). If, however, the simulation does not work correctly (no branch), the template may be manually adjusted 490. The template editor may highlight the section that created problems. For example, a field for OCR may be too narrow or too wide. If the field is too wide, for example, the system may attempt to interpret a part of the logo as a part of the address. In the case of a field that is too narrow, some characters may be cut off. The operator can adjust 490 the template accordingly to solve such problems.

Another aspect of the invention is cross-organizational learning. For example, if an invoice addressed to Customer A is identified as being from Vendor 1, and the system can then identify other signature items (image, "from" address, etc.) in the invoice. Thereafter the system may be able to use those other signature items to select the correct template for the invoice, and use that template to find the correct data in certain sections of the invoice. Additionally, if a same format invoice from this same Vendor 1 is sent to a second Customer B, then the system can recognize from the signature information that the invoice is from Vendor 1 and apply the template to the invoice to extract the correct data.

One advantage of the approach described above is that the capture of invoices can be made economical for SMEs. The number of invoices processed can be aggregated over a large number of SMEs, thus achieving economies of scale that can be shared by the businesses. In addition, although any one

6

SME may only receive a few invoices from any particular issuer, the community of SMEs in the aggregate may receive a large number of invoices from that issuer. This then makes it cost efficient to develop templates or other processes to handle those invoices, whereas it would not be cost efficient for each SME to do so individually. The system of FIG. 1 can be implemented without significant additional investment by either the issuers or the recipients. The cost of system 105 is shared by all users and not borne entirely by one user. The recipients can send invoices to the system 105 using conventional means, such as fax and email. The invoices between issuers and recipients can be settled using conventional means such as checks, EFT, and ACH, or using advanced means such as the enhanced private interbank clearing system described in more detail below with respect to FIGS. 16A-B and 17. In addition, as described above with the example using Customers A and B, and Vendor 1, information learned from processing one recipient's invoices can be used to improve the overall process for all recipients.

In one approach, the community of recipients can themselves improve the process. For example, the system 100 can enable the community to provide input about distinguishing features of the invoices. Various recipients and/or issuers may suggest different features for recognizing invoices. There may even be a community process for determining preferred features for distinguishing invoices. A similar process can be used to determine templates, including determining fields in templates.

Another aspect of community is that different recipients can exchange their experiences of dealing with issuers. Many recipients may be in a similar situation with respect to issuers. Another beneficial aspect of the community is that SMEs are likely to deal with "small" issuers. There will be a very large number of small issuers (approximately 25 million in the U.S.), but each one issues invoices to only a small number of customers (typically, 20-30). While it is not economical for a centralized identification process to be applied to this set of issuers, it is economical to let the recipients/issuers themselves help identify the issuers and, in the aggregate, create a comprehensive catalog of the issuers.

Therefore, the described systems and processes allow the integration of paper and/or electronic document invoices into an automated system to reduce the need of manual labor (such as manual input of invoices) in processing the transactions. In addition, the systems can be fully automated and process these transactions without human intervention.

Enhanced Invoice Payment Document Generation

FIG. 5 shows an overview of a typical payment document 500 with a check section 501 and a statement section 510, according to one embodiment of the present invention. The payment document 500 is often printed on a letter- or A4-sized bifold with three sections with the check section 501 on top and the statement section 510 occupying the lower two-thirds. The check section 501 contains information about a payor 502, a payee 503, an amount in words 504, an amount in numbers 505, additional banking information 506, and information such as the ABA routing number and check number 507. The statement section 510 shows credits and invoices and also shows a total due 511 that typically reflects the amount shown in payment amounts 504 and 505. In some cases, total 511 may differ from payment amounts 504 and 505, because the total due 511 may take into account other credits or debits.

FIG. 6 shows an enhanced payment document (also referred to as an enhanced invoice payment document) 600, according to one embodiment of the present invention. As shown, the enhanced payment document 600 contains a

check section **501**, a communication section **610**, and a payor supplemental section **611**. Elements of the check section **501** are described above in FIG. **5**. The lower two-thirds of the payment document **600** includes the communication section **610**, which in this example is an actual copy or image of the invoice being paid by this check, and the payor supplemental section **611**. The invoice image or copy in this example contains the logo **613** of the billing party, the items billed and the billing total **612**, which in this example agrees with the payment amounts **504** and **505**. Payor supplemental section **611** is available for optional additional payor information, such as notes about this transaction, a mini-statement, and/or an advertisement.

FIG. **7** shows an exemplary process **700** for generating the enhanced payment document **600** according to one embodiment of the present invention. The process **700** may be implemented by an electronic payment system (EPS) such as the one shown in FIG. **1**. Initially, a user selects **701** invoices for payment and enters that information into the system. The system retrieves **702** the selected invoices from data repository **103**.

At step **703**, the system asks the user if the user wants to write one check for multiple invoices and the process branches based on the user's answer. This option may be presented to the user each time process **700** is implemented, or the user could configure the system to always select or never select this option. If a check is generated for only one invoice (no branch), the system sets **704** a counter to 1 and generates **705** a payment document print file for a first invoice. As described above for the payment document **600**, the payment document contains an image of the first invoice. In step **706** the counter is advanced one increment. In step **707** the process branches, depending on whether payment documents have been generated for all the pending invoices. If all have been generated (yes branch), the process advances to step **711**, where the payment document print files are printed and the payment documents are stored in data repository **103** for recording, and the process terminates at step **712**. The print files may be printed locally or remotely (e.g., through the data repository **103**). If payment documents have not been generated for all invoices (no branch), the process loops back from step **707** to step **705**, and another payment document is generated for the next invoice, and repeats until all pending invoices are paid.

Alternatively, if, in step **703**, the user elects, or the system is configured to pay multiple invoices with one check (yes branch), the system prepares **708** a layout of the payment document. The payment document may optionally be presented to the user for approval **709**. If the user does not accept the layout (no branch), the process goes back to step **703**, where the user may elect to print a payment document for each invoice separately. If, in step **709**, the user accepts the proposed layout (yes branch), the system generates **710** a payment document print file containing multiple invoice images and whose check payment amount equals the total of all the included invoices. The invoice images may be smaller than they would be in a payment document containing only one invoice image, depending on the number of invoices being paid and the layout of the payment document. In step **711**, the payment document is sent to a printer (local or remote) and data repository **103** (from which the remote printing may occur), and the process terminates at step **712**.

In some cases, an image of the invoice may be printed on the same page as the check; while in other cases, multiple images may be printed. In yet other cases, one or more images may be printed on the back of the page, opening the front for

classic statements or other uses, including but not limited to advertisements, promotions or campaigns.

In some cases, instead of or in addition to printing an image of the invoice on the payment document, an identifier of the invoice image may be printed on the check section of the payment document. For example, a URL (Uniform Resource Locator) of an invoice image may be printed on the face (or the back) of the check. As a result, one can correctly and easily identify the corresponding invoice for a check payment by visiting the printed URL. The identifier can also be incorporated into the payment transaction in other manners based on the nature of the payment. For example, if the payment is made through an ACH transaction, a URL of the invoice may be included in the ACH addenda field. As a result, the URL will subsequently show up on the payor and/or payee's bank's web summary and bank statement.

Therefore, the described systems and processes provide a simple, easy-to-use approach to generate enhanced invoice payment documents with features that ensure that the credits of the underlying payments are applied to the correct invoices.

Enabling Correct Check and Electronic Payment Deposit

FIG. **8** shows the top part (check section **501**) of the payment document **600** shown in FIG. **6**. Section **801** shows the back side of the check section **501** according to one embodiment of the present invention. Banking information **506** on the front side is shown on the back side as a dotted box **806**. Also shown is the dotted line **803** that separates the endorsement section **804** from the rest of check back side **801**. Also shown is a section **802a-n** where endorsement information is preprinted on the back of the check in high-quality black ink. This endorsement information is solicited from the payee of the check before the payor mails out the check.

Having the endorsement information thus clearly printed is advantageous compared to using a standard institution endorsement stamp, because the latter can be smudged, faint, or otherwise difficult to read. Having the endorsement information clearly printed also reduces the risk of the check being erroneously or fraudulently deposited in a wrong account. Also, since the check is eventually cleared by a depositing bank, it is reasonable that the depositing bank verified the endorsement information. In addition, the deposit information may be captured from the depositing bank and transferred to the drafting bank or an electronic payment system (EPS) such as the one shown in FIG. **1** to verify payee information. As the real time processing of checks is done, all the payee information and deposit information is available to the involved banks. The payor of the check and EPS may obtain such information from the banks. In addition, as described in further detail below, the deposit information can also be used to ensure correct deposit of electronic payments.

FIG. **9** shows an exemplary process **900** for ensuring correct payment deposit according to one embodiment of the present invention. The process **900** may be implemented by an electronic payment system (EPS) such as the one shown in FIG. **1**. In step **901** the system pulls payee data (e.g., payee identity, payment amount) from data repository **103** for payment preparation. In step **902** the system sends a message to a payee who has not previously participated in the service provided by the system. These messages may be sent by email, SMS (Short Message Service), facsimile, or other similar messaging systems. Such a message may, for example, contain a URL (Uniform Resource Locator) that opens a web user interface upon user selection. A user can confirm the user's payee identity and enter data such as, for example, banking information in the web user interface. In other cases, instead of a URL, a callback number may be

offered, where a caller can leave payee information with a call center agent or IVR (Interactive Voice Response). In yet other cases, an email or SMS address may be included in the message, for the user to respond and provide payee information. Additional information may be provided to the payee (e.g., in the message or the web user interface) to assure the payee that, for example, the provided user information will not be passed on to the payor, or to show legitimacy of the user data solicitation (e.g., showing billing information).

The system receives **903** the solicited payee information (e.g., deposit information) from the payees and stores **904** the payee information in data repository **103**. The user may respond to the soliciting message and sets up a payee account with all the required deposit information, thus helping the system to obtain new customers. In step **905** the system retrieves payee information from data repository **103**. In step **906** the system may additionally verify the received payee information by executing a mock transaction. As described in detail below, the mock transaction verifies payee information through approaches such as the random deposit approach.

In step **907**, the process branches. If the data is not satisfactorily verified (no branch), the process returns to step **902** and the system sends a new message to the payee soliciting information. If the data is satisfactorily verified (yes branch), the process branches again in step **908** based on whether the payment is an electronic payment. If the payment is an electronic payment (yes branch), in step **909** the system deposits the electronic payment to an account (e.g., through an ACH transaction, an EFT payment, or a wire transfer) specified by the verified payee information (e.g., account name, routing number, account number). The process ends in step **910**. If the payment is a paper check payment (no branch), in step **911** the system sends print instructions to a check printer, including instructions for printing information such as the payee name, account number, ABA (American Bankers Association) number, and other similar information on the endorsement section of the check. The process ends in step **910**.

If the system receives no response to its message from the payee through the web interface within an allotted time period, such as, for example, two business days, the system sends out a check to the payee without printing information on the endorsement section.

The mock transaction utilized by the system to verify **906** payee information may involve one or more transactions designated to verify various aspects of the payee information. For example, the system may create a check used to verify the deposit information provided by the payee and send the check to the payee. The check may include a partial payment of an outstanding invoice. If the check is subsequently successfully deposited, the system can assume that the depositing bank has verified the deposit information, consider such information verified, and make payment for the remaining portion of the invoice. Thus, the process allows such verification before starting electronic transfers at all, thus helping to add a layer of security to avoid payments from being misrouted.

As another example, a partial payment of an outstanding invoice may be made via electronic payment (e.g., ACH) according to the deposit information provided by the payee, and the remaining balance of the invoice may be paid via a check. Once the customer has confirmed that the electronic payment was successfully posted, the system considers the provided deposit information successfully verified and makes subsequent payments electronically according to the verified deposit information. The payee may specify a preference of electronic payment, check payment, or a combination of both. The system can make the payments according to the user preference.

As a third example, the mock transaction may conduct a random deposit that involves crediting or debiting a random small amount (typically two small transactions) and then request the payee to verify either the transaction ID or the cent amounts. The random deposit approach helps to identify inaccurate account numbers (e.g., typos) and verify that the person providing the information has legal access to the account being set up.

In another aspect, the system reconciles the payee information with additional data in addition to or instead of the random deposit approach to prevent check fraud (e.g., illegitimate account). For example, the system may populate the bank information of the payees from the endorsement from the primary bank shown on previously cleared checks, and use such information to verify against the provided payee information. If the information matches, the payee information is deemed to be verified. If there is a partial match, a judgment call is made by a risk underwriter. If there is no match, the payee fails the verification **906**. Such bank information may be solicited from the depositing bank by separate transmission or from other service providers such as SafeChecks (see <http://www.positivepay.net/>). The information retrieved from previously cleared checks can also be used to reconcile payee identity (e.g., name) on the record to detect fraud.

In yet another aspect, the system considers certain users (e.g., administrators of working accounts) trustworthy, and either does not verify **906** or verifies **906** their payee information with less scrutiny. In addition, trusted administrators of working accounts can extend their trust or infer trust onto others by being involved with setting up accounts, for example, of key vendors or clients, thus implicitly extending their trust. A composite trust rating considers items such as how often, how much, for how long and how recently successful transactions have been completed in conjunction with a particular administrator. In some cases, a single composite score includes weighted aspects. In other cases, two or more scores may be used to represent different aspects, individually or in combination.

A trusted administrator can confer some of his or her composite trust rating by inviting and confirming new applicants. Typically, only a certain percentage of influence by the trusted administrators will be allowed to be inferred. The rest can be earned, or determined by providing multiple references. Certain events as well as non-events may reduce the trust of an administrator. Others may increase it. Typically, a separate, but related value may be used for the company of the trusted administrator, creating a network of trust relationships. This can also be used to help other things, such as the company's credit worthiness.

Therefore, the described systems and processes generate enhanced payment documents with features that ensure that the payment will be deposited in the correct account, and thus prevents mistakes and frauds. The described systems and processes also reconcile cleared checks with records and name identification data.

Correct Invoice Payment Deposit

FIG. **10** shows an invoice **1000** according to one embodiment of the present invention. It has, for example, the address **1001** of the issuer or sender, recipient's address **1002**, items billed **1005a-n**, payor account number **1003**, invoice number **1004**, bill total **1006**, and an address **1007** to which to send payment. Address **1007** may contain postal address and/or electronic payment address information.

FIG. **11** shows a typical check **1100**, such as a payor might return in response to invoice **1000**, according to one embodiment of the present invention. Check **1100** has, for example,

11

a payor address **1101**, a payee identity **1102**, an amount field **1106** stating the check amount in both words and number, some bank information **1103**, an invoice number **1110**, an account number **1111**, signature confirmation or other accreditation information **1108**, and bank routing information **1109**.

FIG. **12** shows an overview of an exemplary system **1200** according to one embodiment of the present invention. Similar to system **100** shown in FIG. **1**, system **1200** includes an electronic service provider **110** and a corporate site **105** both connected to the Internet **101**. In addition, the exemplary system **1200** provides a lockbox service at the corporate site **105**, using server **102**, data repository **103**, and software set **104**. Additional software modules may be present (not shown) at site **105**. FIG. **12** also shows connections **120a-n** for lockbox service customer sites (only **121x** is shown) and connections **1201a-n** for payor sites (only **1201y** is shown). The payors are the end customers of the lockbox service customers.

FIG. **13** shows an overview of an exemplary billing system **1300** according to one embodiment of the present invention. The lockbox customer at site **121x** issues an invoice from system **122x**, which has data repository **123x** and an exemplary instance of billing software **1301**. In some cases, software **1301** may be standard billing software, of any of the types that are commonly used. In other cases, software **1301** may be a web-based billing software or some other type of software. In some cases, the invoice may be issued directly from the customer's system **121x** to the payor's system **1201y**, transmitted by postal mailing of a printed copy or by emailing an electronic copy. In other cases, the billing information may be passed to the lockbox system **102**, where it is processed and sent to the payor **1201y** as an invoice. As shown by the dotted lines **1320**, **1330**, the billing information and the invoice may be transmitted electronically through the Internet **101**.

In both cases, the payor number and the invoice number are made unique among the payors, the invoices, and/or payor/invoice combinations. For example, if two lockbox customers issue invoices to a same payor, the payor numbers on the two invoices may be different from each other. In some cases a unique number may be generated by lockbox operator system **102**, in conjunction with data repository **103** and software **1302**. Generating a unique number may be implemented as appending a unique prefix to a standard payor number and invoice number issued by customer software **1301**. In some cases, the system **1300** provides a plug-in for software **1301** that can communicate with lockbox operator system **102** to download for each transaction the required information to generate unique numbers.

FIG. **14** shows an exemplary process **1400** for preparing a billing transaction according to one embodiment of the present invention. In step **1401a** lockbox customer issues a new invoice to the system **1300**. In step **1402** the system **1300** obtains a unique invoice number for the invoice, either from the local system **122x** or from the main system **102** and data repository **103**. In step **1403** the system retrieves a unique payor number. If necessary, the system generates a new unique payor number for a new payor or for existing payors that do not yet have a unique payor number (e.g., for a new lockbox customer). Alternatively or additionally, the system could create a unique identifier for each payee, payor, or payee/payor combination. This unique identifier can be a combination of a generic post office box plus a code or mail stop that is unique to the payee, payor, or payee/payor combination. In step **1404** the system **1300** generates an invoice, e.g., using process **700** as shown in FIG. **7**. In step **1405** the

12

process branches. If the invoice is not transmitted to the payor electronically (no branch), in step **1406** the system prints the invoice for postal mailing and the process terminates at step **1407**. If the invoice is transmitted to the payor electronically (yes branch), in step **1408** the system transmits the invoice to the payor in a suitable electronic document file (EDF) format (e.g., PDF) and then the process ends at step **1407**.

FIG. **15** shows an exemplary process **1500** for processing checks received from payors according to one embodiment of the present invention. In step **1501a** received check is scanned. In step **1502** the system locates the unique invoice number on the scanned check. In some cases, this process can be aided by having a unique signature (for example, a prefix "555" or similar) that allows the system to identify the unique invoice number more readily. In some cases the system utilizes a process similar to the one described above in FIGS. **3** and **4** to locate data in the scanned check. In step **1503** the system likewise locates the unique payor number on the scanned check. In most cases, the system needs only one of these two numbers to identify the correct lockbox customer account to deposit the check and/or to credit the correct payor account for the payment. For example, even if two lockbox customers are both depositing payments from the same payor, the system has assigned two different unique payor numbers to the payor for the two invoice payments. Therefore, the system **1300** can correctly deposit the two checks to the two lockbox customers' accounts respectively and credit the payor's two accounts for the two payments accordingly. In step **1504** the system finds the paid amount on the scanned check. Based on the information obtained from the scanned check, in step **1505** the system accesses data in data repository **103** to determine which lockbox customer is the payee. In step **1506** the system finds the lockbox customer's account information and access codes. In step **1507** the process branches based on whether the check is an electronic check. If the check is not an electronic check (no branch), in step **1508** the paper check is sent to a lockbox staff to manually process the check, and the process terminates at step **1509**. If the check is an electronic check (yes branch), the process moves to step **1510**, where the system executes an ACH or EFT transaction to deposit the electronic check, and the process terminates at step **1509**.

If neither the invoice number nor the payor number is available when the payment is being processed, the system could use one or more of the following approaches to resolving the payment. For example, the system could provide an exception handling user interface (UI). In this UI, a user (e.g., the payor, the payee, a lockbox staff) could look up all outstanding invoices across all companies using the lockbox service. This lookup would allow searching on any of the fields on the check, including the payor, the amount, or the payee. Another option would be for the system to credit the payment to the payee, but provide an interface for the payor/payee to select the invoice it should be applied to. Alternatively, the system could email the payor/payee to ask which invoice the payment was meant for. And, as another option, an agent could call the payor/payee to determine which invoice the payment was meant for.

Therefore, the described systems and processes efficiently and correctly deposit incoming checks to the correct lockbox clients' accounts, independent of the payor identity and of the accounting software used for issuing invoices.
Enhanced Private Interbank Clearing System

FIG. **16A** shows an overview of an exemplary system **1600** according to one embodiment of the present invention. System **1600** includes multiple banks **1601a-n** and an interbank clearing system **1609**, which has a server **1610**, a data repository

13

tory **1611**, and multiple software instances **1612a-n**. In some cases the clearing system **1609** is implemented in an electronic payment system (EPS) such as the one shown in FIG. 1. Banks **1601a-n** and the clearing system **1609** connect through a network **1604**. Network **1604** typically could be the Internet with added security or Virtual Private Networks (VPNs). In other cases network **1604** may be a private network, a wireless network, or a hard-wired network, or any combination thereof. Also shown are exemplary customer and partner accounts **1603a(a-n)** of related parties and a clearing entity master account **1602a** at the bank **1601a** and reciprocal clearing entity master account **1602n** and additional customer and partner accounts **1603n(a-n)** at bank **1601n**.

System **1600** thus permits the making and receiving of payments on the intra-bank host (within a specific bank **1601**). Examples of intra-bank transactions include transactions between accounts **1603a(a-n)** and **1602a** in bank **1601a** and, respectively, transactions between accounts **1602n** and **1603n(a-n)** within bank **1601n**. The combination of these two intra-bank host-based transfers enables a transfer from a customer **1603a(a-n)** at Bank **1601a** to a vendor **1603n(a-n)** at bank **1601n** to be completed within bank clearing system **1609**. Therefore, if a total of all the balances of the master account **1602x** and customer and partner accounts **1603x(a-n)** in a single bank **1601x** is calculated, then to clear the transactions all that needs to be done is to effect a transfer between clearing entity master accounts **1602a-1602n** at each of the respective banks **1601a-1601n**, in this example, to keep the clearing entity master accounts **1602a-n** balanced (within preset boundaries). The transfer needs not be the exactly accurate amount of the difference of the transfers effected at each end, because there may be a base balance, which, in this example, is a base amount in each of the master accounts **1602a-n**, that is allowed to vary within a certain range.

This approach can be extended not just to two banks, but to dozens, hundreds, or all of the banks in a country or in the world. With a few strategically selected banks, in many cases a vast majority of the transactions can be effected in this way immediately. The balancing transaction between account **1602a** and another account **1602x(x within b-n)** to keep all the floats in the master accounts **1602a-n** in range could be done, for example, just before the end of the day using a wire transfer, to effect immediate transfers between banks. Other similar money transfer mechanisms (e.g., ACH, EFT) may also be used.

FIG. 16B shows a different view of the same systems, as a view focused on accounts and not a system view. As shown, the clearing system **1609** is represented by a circle and the participating banks are represented by blocks overlapping with the circle. The overlapped portion represents the corresponding clearing entity master accounts **1602a-n**. The other bank accounts **1603a-n(a-n)** are represented by blocks within the corresponding banks outside the circle.

Making and receiving intra-bank payments directly on a bank's host system enable the transfers to clear immediately (or return a message immediately if funds are not available). Therefore, such intra-bank transactions eliminate the risk to the third-party system for managing payments. In addition, when access to the bank's host is not available, the bank may provide accelerated messages for returns, allowing the ACH transactions to clear in one day rather than the customary two-day period.

In FIG. 16B, for example, a transfer from customer **1603a(a)** to vendor **1603a(n)** is executed on the intra-bank host of Bank A, from account **1603a(a)** to clearing entity master account **1602a** as transfer **1620a** and then on to vendor account **1603a(n)** as transfer **1620b**. However, a transfer from

14

customer **1603a(b)** (at Bank A) to vendor **1603n(n)** (at Bank N) is made as transfer **1621a** from account **1603a(b)** to master account **1602a** (at Bank A) and then as transfer **1621n** from master account **1602n** to account **1603n(n)** (at Bank N). Also shown symbolically is a transfer **1630an**, symbolizing the clearing transactions between different master accounts **1602a, 1602n** as needed to rebalance the system.

FIG. 17 shows an overview of an exemplary process **1700** for implementing the system shown in FIGS. 16A-B according to one embodiment of the present invention. In step **1701** all the transactions to be effected are collected from data repository **1611**. In step **1702** the transactions are sorted according to their origin and destination ends. Thus, for example, a transaction from one customer account to another partner account (between accounts **103a(a-n)**) within the same bank do not have to be taken into account in calculating the clearance between master accounts **1602a-n**.

In step **1703** the system splits the sorted transactions into, in this example, intra-bank transaction groups A and B, for each of the banks **1601a-n** having pending transactions. Group A contains transactions of money from the respective customer accounts **1603x(x)** into the master account **1602x**; and group B from the master account **1602y** into the receiving partner account **1603y(y)**. By splitting the transactions into two groups, the transactions transferring money to the master accounts can be effected first. In some cases, for all transactions where the initial transfer from customer accounts **1603x(x)** to master account **1602x** was successful, and where the master account balance **1602y** supports it, the funds can be transferred immediately to customer accounts **1603y(y)**.

In step **1704** the imbalance among the master accounts at all the participating banks can be calculated. In step **1705** the transactions in group A are effected, and in step **1706** the interbank wire is effected. In step **1707**, after verifying that the interbank wire has been received, a transaction for group B (those accounts where the master account balance **1602y** did not support the second transfer in step **1703**) is effected. Depending on the timing of the interbank wire, transaction group B may be executed on the next business day. Intra-bank (host) transactions such as those of groups A and B may be done after close of business. However, the interbank wire used in step **1706** is only available at a specific hour. The process ends at step **1708**.

It is clear that many modifications and variations of this embodiment may be made by one skilled in the art without departing from the spirit of the novel art of this disclosure. For example, instead of having two transaction groups, more groups or just a single group can be defined, with the latter option of one group especially suitable in cases where the balance is sufficient. Additionally, the system could analyze the money flow among banks, based on a daily, weekly, and quarterly pattern, and other suitable factors, including but not limited to holidays, weather, economic indicators, stock market indicators, and hence calculate which amounts must be exchanged and which amounts can be taken out of balances, knowing that there is a high likelihood of the balances being replenished in the next few days. Thus this technique can reduce the amount of wire transactions. Also, in another case, a super-master account may be established as a single hub to clear multiple master accounts, or, in other situations, a master account may be established with banks that have their own real-time links to other banks, therefore allowing non-wire transfers among those linked banks in real time. These modifications and variations do not depart from the broader spirit and scope of the invention, and the examples cited here are to be regarded in an illustrative rather than in a restrictive sense.

15

Therefore, comparing to the conventional approaches, the described systems and processes transfer money between accounts at different banks faster and more cost-effectively. Enhanced Electronic Anonymized Payment System

FIG. 18 shows an overview of an exemplary electronic billing and payment system 1800 according to one embodiment of the present invention. As shown, the billing and payment system 1800 includes a vendor directory 1801, a fee-based accounts receivable module 1802, a free accounts receivable module 1804, a fee-based accounts payable module 1803, and a free accounts payable module 1805. The fee-based accounts receivable module 1802 provides functions such as synchronizing invoices and payments, sending invoices, inviting customers to the system 1800, web lockbox service, and collaborate. The free accounts receivable module 1804 provides functions such as sign up usability, create/upload invoices, track payments, collaborate, and upgrade to fee-based account receivable accounts. The fee-based accounts payable module 1803 provides functions such as collaborate, accelerate, ePayment, adoption, and mass invite. The free accounts payable module 1805 provides functions such as pay bills, collaborate, and upgrade to fee-based account payable accounts. In general, the services/functions provided by the free modules 1804, 1805 are a limited subset of services/functions provided by the fee-based modules 1802, 1803, accordingly.

Both the fee-based modules 1802, 1803 provide fee-based services to users (e.g., customers and/or vendors) with fee-based accounts. In addition, the system 1800 invites certain customers (e.g., accounts payable) and vendors (e.g., accounts receivables) to use system functions of the free modules 1804, 1805 for free. Also, customers who have a fee-based accounts payable account may have a free private vendor. For clarity, a customer with a fee-based accounts payable account 1803 is called a "paid customer"; a customer with a free accounts payable account 1805 is called a "free customer"; a vendor with a paid accounts receivable account 1802 is called a "paid vendor", and a vendor with a free accounts receivable account 1804 is called a "free vendor".

The vendor directory 1801 allows the system to identify a vendor and thus transfer payments without requiring any specific financial information about this company. The vendor directory 1801 supports additional biller networks and EDI (Electronic Data Interchange) vendors, promotes vendors (e.g., account receivables) to directory, and provides pay to console. In one embodiment, the vendor directory 1801 comprises a database that stores information about vendors and some of the information (e.g., full business name such as "AT&T Wireless" and "AT&T Small Business Services", postal address) is searchable by users. The database may also include information about the customers (e.g., customer's name and mailing address), some of which may be searchable by users. Each of the users (vendors, customers) has a unique ID (also called the network ID) that can be assigned or generated (e.g., by applying cryptographic hash function to information about the user).

A paid customer may pay to its accounts-receivable vendors, using one of the transactions 1810a-n, either to paid vendors or to free vendors, which the customer may invite its vendor to become, to simplify the process of paying bills. The free vendor gets a free, no-hassle account that allows him to receive payments from existing paid customers. The goal is eventually to encourage the free vendors to become a paid vendor, as indicated by arrow 1806, so the vendor would have the ability to also invoice other parties. When a vendor (also called an account receivable user or AR user) receives a payment through the system 1800, the payment is automati-

16

cally matched to the appropriate customer and invoice in the vendor's accounting system. Paid vendors can likewise invite new customers to free accounts payable accounts 1805 or work with existing paid customer and receive payments using the system 1800. Similarly, the goal here is to eventually let the free customers become paid customers, as indicated by arrow 1807. In some cases, the electronic billing and payment system 1800 may provide promotions to encourage users to invite not-yet-linked customers or vendors. Unlike typically offered trial accounts, the system 1800 may set no time limit for the limited functionality provided by the free modules 1804, 1805.

By offering enhanced funds flow management, migration into the system 1800 becomes easy. Further, the system 1800 offers plug-ins into popular accounting systems thereby allowing easy integration into a company's operation without disrupting or complicating internal processes. In fact, each user can update its accounting system without even knowing what the other user's accounting system is via the network synchronization. Thus a vendor can easily achieve single site billing, and customers can have the same convenience. Rather than having to log into a myriad of web sites operated by different entities (e.g., vendors, banks, service providers, etc.), all the invoices arrive at one central location and flow from there directly into the company's accounts payable, thus reducing the overhead and time wasted. Also, statements and reconciliations maybe transmitted among the accounts, and on the return path adjustments, credits, discounts, etc., all with much clearer and simpler communication than today's scribble on a copy of an invoice, etc.

Additional system functions may include managed visibility of the payment process. For example, a customer could let a vendor know that he has received a bill, that the bill has been approved, and when it is scheduled for payment, thus offering better transparency of the process. In some cases queries and or complaints may also be routed over the system. However, the customer has control over these transparency features and can decide what features are to become visible to the vendor. Additionally, the system may offer a mutual rating system that could, for example, rate a customer on such characteristics as timeliness of payment, accuracy of disclosed information, follow-through, etc. Because all the data is available, such as billing date, payment terms, and actual payment, as well as whether there were complaints or other issues, a very accurate payment quality can be derived, much more accurate than typical rating agencies can obtain on small or medium enterprises.

It is clear that many modifications and variations of the above-described embodiments may be made by one skilled in the art without departing from the spirit of the novel art of this disclosure. For example, instead of having two transaction groups, more groups or just a single group can be defined, with the latter option of one group especially suitable in cases where the balance is sufficient. Additionally, the system 1800 could analyze the money flow among banks, based on a daily, weekly, and quarterly pattern, and other suitable factors, including but not limited to holidays, weather, economic indicators, stock market indicators, etc. and hence calculate which amounts must be exchanged and which amounts can be taken out of balances, knowing that there is a high likelihood of the balances being replenished in the next few days. Thus this technique can reduce the amount of wire transactions. Also, in another case, a super-master account may be established as a single hub to clear multiple master accounts, or, in other situations, a master account may be established with banks that have their own real-time link to other banks, therefore allowing non-wire transfers among those linked banks in

17

real time. These modifications and variations do not depart from the broader spirit and scope of the invention, and the examples cited here are to be regarded in an illustrative rather than in a restrictive sense.

Accordingly, in one aspect, the described embodiments provide a system and method that allows two companies to abstract their bank accounts and still exchange money. In another aspect, the described embodiments provide a system and method that allows a vendor or customer to populate and update the data in their customer's or vendor's accounting system from their own accounting system EDI-style. This approach eliminates the need to re-enter data manually, which typically can also increase risks for transcription errors. The vendor/customer may define a permissions mask controlling when and how information is shared during the billing/invoice payment process (e.g., upon the completion of a workflow). For example, one company may choose to propagate data to its vendors informing them that an invoice has been received, that the invoice has been approved for payment, and that the invoice has been paid. A second company may choose, through its permissions mask, to only share the fact that the invoice has been paid, not the interim steps leading to that bill being paid.

In another aspect, the described embodiments provide a system and method that allows synchronization of invoices and payments from vendor to customer, and back (e.g., both ways). In another aspect, the described embodiments provide a system and method that allows vendors and customers to define a permission mask controlling when/how information is shared during the billing/invoice payment process. In another aspect, the described embodiments provide a system and method that allows both vendors and customers to have a unique network ID in a master directory independent of regular items, including but not limited to tax ID, email address, corporation number, etc., thus enabling them to link to other companies, and also allowing companies to invite their vendors and customers to create an account which links them to the their customer/vendor in a single step. In another aspect, the described embodiments provide a system and method that allows companies to manage the flow of funds into and out of a single bank account for purposes of making bill payments and collecting on receivables. In another aspect, the described embodiments provide a system and method that allows a company to accept invitations to connect from multiple vendors or customers from within a single system, and also allows users to invite groups of vendors or customers from a database of vendors/customers in a company's accounting system.

Advanced Invitation Process

FIG. 19 shows an exemplary process 1900 for inviting entities to open accounts at an electronic billing and payment system, according to one embodiment of the present invention. The process 1900 may be implemented by an electronic billing and payment system such as the ones showed in the accompanying figures. Each step in the process 1900 may involve retrieving and/or recording information in a data repository such as the data repository 1611 in FIG. 16 and the data repository 103 in FIG. 1.

In step 1901, the system provides a user (hereinafter called an "invitor") multiple various system options including an option to bill (if the invitor is a vendor/accounts receivable) and/or an option to pay (if the invitor is a customer/accounts payable). In step 1902, the system receives from the invitor a user selection of the option to bill/pay, and provides the invitor with a list of candidate billes/payees and/or an option to input a billee/payee. In step 1903, the system receives from the invitor a user selection (or input) of the respective billee or

18

payee, and provides the invitor with various applicable system options including sending the billee/payee an invitation for a free account with the system. In step 1904 the system receives from the invitor a user selection of sending an invitation for a free account to the selected/inputted billee/payee (hereinafter called the "invitee"), and provides the invitor with security question options that the invitee must answer in order to accept the invitation. For an invitee that the invitor knows well, he may draw from a set of standard security questions provided by the system or create a security question about personal information, such as city of birth, name of first pet, name of grammar school, etc. Alternatively, the invitor may draw from a set of standard security questions provided by the system or create a security question about company-related information that only the correct invitee would know, such as, for example, name of manager, last four digits of business telephone number, etc. In step 1905, the system receives from the invitor a user selection (or input) of a security question, along with the "correct" answer that he anticipates from the invitee. The system may then receive from the invitor inputs regarding other billing and/or payment transactions, or repeat steps 1901 through 1905 to invite other entities.

The completion of step 1905 triggers the system to perform step 1906, in which the system creates and transmits an invitation (e.g., an email message) to the invitee. In step 1907, the system receives a response to the invitation (e.g., email or other type of message) including an answer to the selected security question. In step 1908, the system verifies the response by comparing the answer from the invitee against the "correct" answer entered by the invitor. The system can be configured to, either as default or in case of a non-matching response, present the invitee's response to the invitor for further verification. In step 1909, once the response is verified (either by the system or by the invitee), the system notifies the invitee of acceptance (or not) into a free part of the system extended to partners of paying users and the system creates a link between the account of the invitor and the new account of the invitee for the purposes of sharing invoice information, making electronic payments, transmitting remittance information, and maintaining basic information about the invitor and invitee (e.g. the invitee's company name, address, and other contact info). In some cases, the processes of steps 1906 through 1909 may all be carried out via email. In other cases, the initial invitation prepared in step 1906 may contain a link to a secure web site where the system and invitee execute the remaining steps. In some cases, after an invitor has instructed the system to send an invitation, the system may detect that the named invitee has already been activated for service by another customer of the service (or otherwise has an account with the system). In such a case, rather than sending out an invitation, the system asks the invitor to verify the identity of the proposed invitee to ensure that the invitee is indeed the same entity. If so, the invitee is then linked automatically to the invitor for services such as receiving electronic invoices and payment services, or receiving electronic transactions at no cost, etc. During the matching process, in some cases there may be a near match, which then can be confirmed by the user; or the system may ask the user to select from a list of existing active users.

Additional Embodiments for Pre-Populated Check Endorsement Section

FIGS. 20A-20B shows another embodiment for pre-populating the check endorsement section in addition to the embodiments described in the section titled "Enabling Correct Check and Electronic Payment Deposit", according to one embodiment of the present invention. FIG. 20A shows an

overview of the back side **2001** of a check **2000**. Endorsement section **2002** contains a boxed area **2003**. FIG. **20B** shows exemplary details of boxed area **2003**, according to one embodiment of the present invention. Details include a check-box **2004**, which the recipient of the check may check to accept a free service agreement; an ABA number line **2005**; an account number line **2006**; an email address line **2007**; and a printed information line **2008**, which may be a reference to a URL (in this example, www.***.com/tc) at which location the user may see the terms and conditions that he accepts when he checks the box **2004**. In some cases, a signature may also be requested next to the box, giving permission from the invitee to open an account in his or his company's name.

A billing and payment system creates a check for a user of the system to make a payment to a non-user, and pre-populates the endorsement section as illustrated in FIGS. **20A-20B** and described above. Once the non-user cashes the check, the system receives an image of the cashed check and analyzes the filled boxed area **2003** to determine whether the non-user accepted the free service agreement (i.e., checked the check-box **2004**). If the non-user accepted the agreement, the system enrolls the non-user to the free service and sends an email to the non-user to the address the non-user provided in the boxed area **2003**.

Map of Trust and Familiarity

FIG. **21** shows an exemplary overview of a map **2100** of trust and familiarity for an electronic billing and payment system, according to one embodiment of the present invention. The map **2100** has a familiarity axis **2101** and a trust axis **2102**. The axis **2101** shows the range of familiarity (i.e., how much experience the system has with an entity), from known to unknown. The axis **2102** shows the range of trustworthiness, from trusted to untrusted. The familiarity and trustworthiness of an entity (or user) can be determined based on information the entity has provided, and/or the length of time the entity has been making transactions in the system without problems, such as, for example, cancelled checks to provide proof of actual business, uncovered checks providing information about lack of funds or lack of planning, etc. For example, the more positive transactions are recorded for an entity, the more the entity is trusted.

The system has essentially four zones of entity qualifications as illustrated in the map **2100**. There is a safe zone **2103**, which comprises known and trusted entities. Entities that are less well known and/or less well trusted are in an O.K. zone **2104**. Entities whose qualities are unknown, usually because they are new to the system, are in an unclear zone **2105**. Everything else beyond those three zones is an unsafe zone **2106**. Depending on how the system is configured, new accounts may start in different locations in the map **2100**, such as points **2110**, **2111**, and **2112**. As the entities establish itself to the system, their trustworthiness/familiarity to the system move in the map **2100** along trajectories such as, respectively, **2120**, **2121**, and **2122**, which trajectories may be linear or not, depending on such variables as types of transactions, time periods between transactions, amounts transacted, and hopefully eventually, ending up in the safe zone **2103**. For example, if any entity transacts only one or a few transactions of very small amounts, it may not progress beyond the OK zone **2104**, because the system does not know if these transactions are only for the purpose of gaining a trusted rating from the system.

In some cases, these trust ratings may be available to customers; in other cases, this data may be available internally only, for internal assessment of transactions. In yet other cases, the data can be made publicly available; thus the system can act as infrastructure or basis for a rating agency. Also,

additional information such as timeliness of payment, etc., may be separately rated or considered in the map **2100**. Further, based on the receivables side, a company may be rated on the timeliness of payments received from it relative to the due date. Accordingly, a lot of information may be mined from the information derived from behavior of both customers and their partners, but not necessarily all information may be made public (as in available to customers or to the public in general, for example, for a fee), nor is it desirable to make all the information public. Additionally, the system may take into account the referral or recommendation of a particularly trusted party, such as a CPA firm or an accredited bookkeeping firm. Further, these trusted parties themselves may have their ratings going up or down based on their behavior and the behavior of the companies they have recommended.

Secured Document Lockbox System

FIG. **22** shows a secured document lockbox system **2204** for invoices and other accounting-related documents, according to one embodiment of the present invention. The system **2204** receives documents from sources such as system users **2201** (e.g., customers, vendors), service partners **2202** (e.g., CPAs, accountants, etc.), and internal system services **2203** (e.g., of a billing and payment system). These documents may be scanned and emailed to the system **2204**, faxed to the system **2204**, or sent as physical paper documents to the system **2204**. In some cases, for example, customers **2201** may ask partners **2202** to send their invoices and/or other accounting-related documents to a post office box address of the system **2204**.

All received documents are placed in a queue **2205**, out of which they are processed by one or more of various means **2206a-n**. The queue **2205** allows for efficient and secure document processing by a third party. The system **2204** restricts documents/information made available to processing means **2206** to only those necessary for the processing (and not any other potentially sensitive data in the customer's account), and thereby enables a much more secure process. By allowing the processing to be routed to a single queue, the system **2204** becomes a central resource for working through documents across a number of unique accounts belonging to different companies or organizations. Examples of the processing means **2206** include manual input of printed data by data entry personnel, OCR scanning, and any other similar suitable processing means.

In one embodiment, every document is processed by at least two separate processing means **2206**, as an accuracy check. If the two processing results do not match, the document is processed further (e.g., by another processing means **2206**) to obtain at least two matching results. When the document is satisfactorily processed, it is stored in a data repository **2207**, from which it is then passed back to the corresponding document source, and/or entities needing it. To pass back the processed document, the system **2204** may send a message with the document attached as a secure importable file that could be imported directly into the accounting system of the receiving entity. In some cases, the system **2204** may send the document directly to an online accounting system (not shown), subject to the online accounting system providing the right credentials; while in other cases the system **2204** sends only a notification, telling the entity to go to a secure web site and download the file, in a manner similar to services currently available to banking customers.

It is clear that many modifications and variations of the system and method disclosed herein may be made by one skilled in the art without departing from the spirit of the novel art of this disclosure.

21

These modifications and variations do not depart from its broader spirit and scope, and the examples cited here are to be regarded in an illustrative rather than a restrictive sense.

In alternate embodiments, the invention is implemented in computer hardware, firmware, software, and/or combinations thereof. Apparatus of the invention can be implemented in a computer program product tangibly embodied in a non-transitory computer-readable storage device for execution by a programmable processor; and method steps of the invention can be performed by a programmable processor executing a program of instructions to perform functions of the invention by operating on input data and generating output. The invention can be implemented advantageously in one or more computer programs that are executable on a programmable system including at least one programmable processor coupled to receive data and instructions from, and to transmit data and instructions to, a data storage system, at least one input device, and at least one output device. Each computer program can be implemented in a high-level procedural or object-oriented programming language, or in assembly or machine language if desired; and in any case, the language can be a compiled or interpreted language. Suitable processors include, by way of example, both general and special purpose microprocessors. Generally, a processor will receive instructions and data from a read-only memory and/or a random access memory. Generally, a computer will include one or more mass storage devices for storing data files; such devices include magnetic disks, such as internal hard disks and removable disks; magneto-optical disks; and optical disks. Storage devices suitable for tangibly embodying computer program instructions and data (also called the "non-transitory computer-readable storage media") include all forms of non-volatile memory, including by way of example semiconductor memory devices, such as EPROM, EEPROM, and flash memory devices; magnetic disks such as internal hard disks and removable disks; magneto-optical disks; and CD-ROM disks. Any of the foregoing can be supplemented by, or incorporated in, ASICs (application-specific integrated circuits) and other forms of hardware.

What is claimed is:

1. A method for inviting an entity to open an account at an electronic billing and payment system, the method comprising:

receiving, by the electronic billing and payment system and from a first entity, an instruction to invite a second entity to open an account at the electronic billing and payment system, the first entity having an account with the electronic billing and payment system;

receiving, by the electronic billing and payment system and from the first entity, a security question and an answer to the security question to accompany the invitation;

transmitting, by the electronic billing and payment system and to the second entity, the invitation along with the security question;

receiving, by the electronic billing and payment system and from the second entity, an acceptance of the invitation along with an answer to the security question;

verifying, by the electronic billing and payment system, the acceptance by comparing the answer received from the second entity to the answer received from the first entity;

responsive to the two answers not matching, providing, by the electronic billing and payment system, the answer received from the second entity to the first entity for further verification; and

22

responsive to the two answers matching or to the further verification, determining, by the electronic billing and payment system, the acceptance as verified and opening an account for the second entity.

2. The method of claim 1, wherein the account opened for the second entity can be used by the second entity to make payments to the first entity or receive payments from the first entity.

3. The method of claim 1, wherein the invitation comprises an email message containing a link to a website where the second entity can provide the acceptance along with the answer to the security question.

4. The method of claim 1, further comprising: determining whether an invitation has already been sent to the second entity; and

responsive to a determination that an invitation has been sent to the second entity, prompting the first entity to verify the identity of the second entity instead of transmitting to the second entity the invitation along with the security question.

5. The method of claim 1, further comprising: determining whether an account has already been opened for the second entity; and

responsive to a determination that an account has been opened for the second entity, prompting the first entity to verify the identity of the second entity instead of transmitting to the second entity the invitation along with the security question.

6. The method of claim 5, further comprising: responsive to a verification from the first entity of the identity of the second entity, transmitting an electronic invoice or an electronic payment from the first entity to the second entity through the account opened for the second entity.

7. The method of claim 1, further comprising: responsive to the account for the second entity being opened, creating a link between the account of the first entity and the account of the second entity.

8. The method of claim 7, wherein the link between the account of the first entity and the account of the second entity is for at least one of the following purposes: sharing invoice information, making electronic payments, transmitting remittance information, and maintaining basic information about the first entity or the second entity.

9. A non-transitory computer-readable storage medium encoded with executable computer program code for inviting an entity to open an account at an electronic billing and payment system, the computer program code comprising program code for:

receiving, by the electronic billing and payment system and from a first entity, an instruction to invite a second entity to open an account at the electronic billing and payment system, the first entity having an account with the electronic billing and payment system;

receiving, by the electronic billing and payment system and from the first entity, a security question and an answer to the security question to accompany the invitation;

transmitting, by the electronic billing and payment system and to the second entity, the invitation along with the security question;

receiving, by the electronic billing and payment system and from the second entity, an acceptance of the invitation along with an answer to the security question;

23

verifying, by the electronic billing and payment system, the acceptance by comparing the answer received from the second entity to the answer received from the first entity;

responsive to the two answers not matching, providing, by the electronic billing and payment system, the answer received from the second entity to the first entity for further verification; and
responsive to the two answers matching or to the further verification, determining, by the electronic billing and payment system, the acceptance as verified and opening an account for the second entity.

10. The storage medium of claim 9, wherein the account opened for the second entity can be used by the second entity to make payments to the first entity or receive payments from the first entity.

11. The storage medium of claim 9, wherein the invitation comprises an email message containing a link to a website where the second entity can provide the acceptance along with the answer to the security question.

12. The storage medium of claim 9, wherein the computer program code further comprises program code for:

determining whether an invitation has already been sent to the second entity; and

responsive to a determination that an invitation has been sent to the second entity, prompting the first entity to verify the identity of the second entity instead of transmitting to the second entity the invitation along with the security question.

13. The storage medium of claim 9, wherein the computer program code further comprises program code for:

responsive to the account for the second entity being opened, creating a link between the account of the first entity and the account of the second entity.

14. The storage medium of claim 13, wherein the link between the account of the first entity and the account of the second entity is for at least one of the following purposes: sharing invoice information, making electronic payments, transmitting remittance information, and maintaining basic information about the first entity or the second entity.

15. A computer system for inviting an entity to open an account at an electronic billing and payment system, comprising:

a non-transitory computer-readable storage medium encoded with executable computer program code for:

24

receiving, by the electronic billing and payment system and from a first entity, an instruction to invite a second entity to open an account at the electronic billing and payment system, the first entity having an account with the electronic billing and payment system;

receiving, by the electronic billing and payment system and from the first entity, a security question and an answer to the security question to accompany the invitation;

transmitting, by the electronic billing and payment system and to the second entity, the invitation along with the security question;

receiving, by the electronic billing and payment system and from the second entity, an acceptance of the invitation along with an answer to the security question;

verifying, by the electronic billing and payment system, the acceptance by comparing the answer received from the second entity to the answer received from the first entity;

responsive to the two answers not matching, providing, by the electronic billing and payment system, the answer received from the second entity to the first entity for further verification; and

responsive to the two answers matching or to the further verification, determining, by the electronic billing and payment system, the acceptance as verified and opening an account for the second entity.

16. The computer system of claim 15, wherein the account opened for the second entity can be used by the second entity to make payments to the first entity or receive payments from the first entity.

17. The computer system of claim 15, wherein the storage medium is further encoded with executable computer program code for:

responsive to the account for the second entity being opened, creating a link between the account of the first entity and the account of the second entity.

18. The computer system of claim 17, wherein the link between the account of the first entity and the account of the second entity is for at least one of the following purposes: sharing invoice information, making electronic payments, transmitting remittance information, and maintaining basic information about the first entity or the second entity.

* * * *